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93D CONGRESS
1ST SESSION

H. R. 10499

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 25, 1973

Mr. PEPPER introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Social Security Act to liberalize benefits under the old-age, survivors, and disability insurance program and otherwise improve such program, to liberalize and improve the health insurance benefits program, to extend eligibility under the supplemental security income program, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Social Security Amend-
4 ments of 1973".

TITLE I—OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE

Sec. 101. Increase in minimum benefit.

Sec. 102. Increase in special minimum primary insurance amount.

Sec. 103. Increase of earnings counted in 1974 for benefit and tax purposes.

TITLE I—OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

- Sec. 104. Repeal of earnings test.
- Sec. 105. Increase in lump-sum death benefits.
- Sec. 106. Reduction in retirement age for old-age, wife's, husband's, and parent's insurance benefits.
- Sec. 107. Reduction in age of eligibility for widow's, and widower's insurance benefits; elimination of age requirement for such benefits in cases of disability.
- Sec. 108. Termination of actuarial reduction when total reduction equals additional benefits received.
- Sec. 109. Benefits at age 55 for forced retirees.
- Sec. 110. Full benefits for women with 120 quarters of coverage.
- Sec. 111. Payments of benefits to husband and wife on basis of combined earnings record.
- Sec. 112. Increase in amount of old-age, wife's, and husband's benefits for individuals who postpone filing application therefor.
- Sec. 113. Applicability of age-62 computation point for men.
- Sec. 114. Broadening of disability definition; reduction in waiting period.
- Sec. 115. General insured status requirements for disability insurance benefits.
- Sec. 116. Eligibility of blind persons for disability insurance benefits.
- Sec. 117. Benefits for widowed fathers with minor children.
- Sec. 118. Parent's insurance benefits in case of retired or disabled worker.
- Sec. 119. Payment of benefits to child in school through age 23.
- Sec. 120. Eligibility for benefits in case of divorced wives and surviving divorced wives.
- Sec. 121. Elimination of support requirement for entitlement to husband's or widower's insurance benefits.
- Sec. 122. Remarriage by survivor beneficiary after attaining age 62.
- Sec. 123. Optional exemption from coverage after age 65.
- Sec. 124. Exchange of OASDI and civil service credits.
- Sec. 125. Changes in tax schedules.
- Sec. 126. Federal contributions to trust funds.
- Sec. 127. General savings provision.

TITLE II—HEALTH INSURANCE

- Sec. 201. Financing of hospital insurance benefits and supplementary medical insurance benefits.
- Sec. 202. Elimination of all deductibles and coinsurance under medicare.
- Sec. 203. Health insurance for the disabled.
- Sec. 204. Coverage of certain drug expenses under hospital insurance program.
- Sec. 205. Extension of coverage under supplementary medical insurance program to include eye care, dental care, dentures, hearing aids, foot care, and flu shots.
- Sec. 206. Medicare coverage for United States citizens outside United States.
- Sec. 207. Additional care and services under medicare and medicaid programs; related standards and requirements.

TITLE III—PUBLIC ASSISTANCE

- Sec. 301. Extension of supplemental security income program to Puerto Rico, Guam, and the Virgin Islands.
- Sec. 302. Eligibility of disabled person for supplemental security income payments despite certain income of spouse.
- Sec. 303. Disregard of pension income in certain cases in determining eligibility for supplemental security income payments.
- Sec. 304. Continuation of eligibility for food stamps under supplemental security income program.
- Sec. 305. Special housing allowances for low-income elderly persons.

TITLE IV—MATERNAL AND CHILD HEALTH AND CRIPPLED CHILDREN'S PROGRAMS

- Sec. 401. Extension of project grants.

TITLE I—OLD-AGE, SURVIVORS, AND

DISABILITY INSURANCE

INCREASE IN MINIMUM BENEFIT

- SEC. 101. (a) The table in section 215 (a) of the Social Security Act is amended by striking out all the figures in columns I through V down through the line which reads

"26.95	27.46	101.10	114	118	121.40	182.10"
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- and inserting in lieu thereof the following:

"-----	\$26.94	\$99.70	-----	\$113	\$120.00	\$180.00
\$26.95	27.46	or less 101.10	\$114	118	121.40	182.10"

- (b) The amendment made by subsection (a) shall apply with respect to monthly insurance benefits under title II of the Social Security Act for months after the month in which this Act is enacted and with respect to lump-sum death payments under such title in the case of deaths occurring on or after the date of the enactment of this Act.

INCREASE IN SPECIAL MINIMUM PRIMARY INSURANCE

AMOUNT

- SEC. 102. (a) Section 215 (a) (3) of the Social Security Act is amended by striking out "in excess of 10".

1 (b) The amendment made by subsection (a) shall ap-
2 ply with respect to monthly insurance benefits under title II
3 of the Social Security Act for months after the month in
4 which this Act is enacted (without regard to when the in-
5 sured individual became entitled to such benefits or when he
6 died) and with respect to lump-sum death payments under
7 such title in the case of deaths occurring after such month.

8 INCREASE OF EARNINGS COUNTED IN 1974 FOR BENEFIT

9 AND TAX PURPOSES

10 SEC. 103. (a) (1) Section 209 (a) (8) of the Social Se-
11 curity Act is amended by striking out "\$12,600" and insert-
12 ing in lieu thereof "\$15,000".

13 (2) Section 211 (b) (1) (H) of such Act is amended
14 by striking out "\$12,600" and inserting in lieu thereof
15 "\$15,000".

16 (3) Sections 213 (a) (2) (ii) and 213 (a) (2) (iii) of
17 such Act are each amended by striking out "\$12,600" and
18 inserting in lieu thereof "\$15,000".

19 (4) Section 215 (e) (1) of such Act is amended by
20 striking out "\$12,600" and inserting in lieu thereof
21 "\$15,000".

22 (b) (1) Section 1402 (h) (1) (H) of the Internal
23 Revenue Code of 1954 (relating to definition of self-em-
24 ployment income) is amended by striking out "\$12,600"
25 and inserting in lieu thereof "\$15,000".

1 (2) Effective with respect to remuneration paid after
2 1973, section 3121(a)(1) of such Code is amended by
3 striking out "\$12,600" each place it appears therein and
4 inserting in lieu thereof "\$15,000".

5 (3) Effective with respect to remuneration paid after
6 1973, the second sentence of section 3122 of such Code is
7 amended by striking out "\$12,600" and inserting in lieu
8 thereof "\$15,000".

9 (4) Effective with respect to remuneration paid after
10 1973, section 3125 of such Code is amended by striking
11 out "\$12,600" each place it appears in subsections (a),
12 (b), and (c) and inserting in lieu thereof "\$15,000".

13 (5) Section 6413(c)(1) of such Code (relating to
14 special refunds of employment taxes) is amended by striking
15 out "\$12,600" each place it appears and inserting in lieu
16 thereof "\$15,000".

17 (6) Section 6413(c)(2)(A) of such Code (relating
18 to refunds of employment taxes in the case of Federal em-
19 ployees) is amended by striking out "\$12,600" and insert-
20 ing in lieu thereof "\$15,000".

21 (7) Effective with respect to taxable years beginning
22 after 1973, section 6654(d)(2)(B)(ii) of such Code
23 (relating to failure by individual to pay estimated income
24 tax) is amended by striking out "\$12,600" and inserting
25 in lieu thereof "\$15,000".

1 (c) Section 230 (c) of the Social Security Act is
 2 amended by striking out "\$12,600" and inserting in lieu
 3 thereof "\$15,000".

4 (d) The amendments made by this section shall apply
 5 only with respect to remuneration paid after, and taxable
 6 years beginning after, the calendar year 1973.

7 (e) Effective January 1, 1974, the Secretary of Health,
 8 Education, and Welfare shall prescribe, publish, and make
 9 generally available such modifications and extensions in the
 10 table contained in section 215 (a) of the Social Security Act
 11 as may be necessary to reflect the amendments made by this
 12 section.

13 (f) Section 203 of Public Law 93-66 is repealed.

14 REPEAL OF EARNINGS TEST

15 SEC. 104. (a) Subsections (b), (d), (f), (h), (j),
 16 and (k) of section 203 of the Social Security Act are re-
 17 pealed.

18 (b) (1) Subsection (c) of section 203 of such Act is
 19 redesignated as subsection (b); and such subsection as so
 20 redesignated is amended—

21 (A) by striking out "Noncovered Work Outside the
 22 United States or" in the heading;

23 (B) by striking out paragraph (1);

24 (C) by redesignating paragraphs (2), (3), and
 25 (4) as paragraphs (1), (2), and (3), respectively;

26 (D) by striking out "For purposes of paragraphs

1 (2), (3), and (4)” and inserting in lieu thereof “For
2 purposes of paragraphs (1), (2), and (3)” ; and

3 (E) by striking out the last sentence.

4 (2) Subsection (e) of such section 203 is redesignated
5 as subsection (c) ; and such subsection as so redesignated
6 is amended by striking out “subsections (c) and (d)” and
7 inserting in lieu thereof “subsection (b)”.

8 (3) Subsection (g) of such section 203 is redesignated
9 as subsection (d) ; and such subsection as so redesignated is
10 amended by striking out “subsection (c)” each place it ap-
11 pears and inserting in lieu thereof “subsection (b)”.

12 (4) Subsection (i) of such section 203 is redesignated
13 as subsection (e) ; and such subsection as so redesignated is
14 amended by striking out “subsection (b), (c), (g), or (h)”
15 and inserting in lieu thereof “subsection (b) or (d)”.

16 (5) Subsection (l) of such section 203 is redesignated
17 as subsection (f) ; and such subsection as so redesignated is
18 amended by striking out “subsection (g) or (h) (1) (A)”
19 and inserting in lieu thereof “subsection (d)”.

20 (c) (1) Section 202 (n), (1) of such Act is amended
21 by striking out “Section 203 (b), (c), and (d)” and insert-
22 ing in lieu thereof “Section 203 (b)”.

23 (2) (A) Section 202 (q) (5) (B) of such Act is
24 amended by striking out “section 203 (c) (2)” and inserting
25 in lieu thereof “section 203 (b) (1)”.

26 (B) Section 202 (q) (7) (A) of such Act is amended

1 by striking out "deductions under section 203 (b), 203 (c)
2 (1), 203 (d) (1), or 222 (b)" and inserting in lieu thereof
3 "deductions on account of work under section 203 or de-
4 ductions under section 222 (b)".

5 (3) (A) Section 202 (s) (1) of such Act is amended by
6 striking out "paragraphs (2), (3), and (4) of section
7 203 (c)" and inserting in lieu thereof "paragraphs (1), (2),
8 and (3) of section 203 (b)".

9 (B) Section 202 (s) (3) of such Act is amended by
10 striking out "the last sentence of subsection (c) of section
11 203, subsection (f) (1) (C) of section 203,".

12 (4) Section 202 (t) (7) of such Act is amended by
13 striking out "Subsections (b), (c), and (d)" and inserting
14 in lieu thereof "Subsection (b)".

15 (5) Section 208 (a) (3) of such Act is amended by
16 striking out "under section 203 (f) of this title for purposes
17 of deductions from benefits" and inserting in lieu thereof
18 "under section 203 for purposes of deductions from benefits
19 on account of work".

20 (6) Section 215 (g) of such Act is amended by striking
21 out "and deductions under section 203 (b)".

22 (7) The second paragraph of section 3 (e) of the Rail-
23 road Retirement Act of 1937 is amended by striking out
24 "under subsections (g) and (h) (2) of section 203 of the
25 Social Security Act" and inserting in lieu thereof "under
26 subsection (d) of section 203 of the Social Security Act".

1 (8) Section 5 (i) (1) of the Railroad Retirement Act of
 2 1937 is amended by inserting "or" after the semicolon at
 3 the end of clause (i), by striking out clause (ii), and by
 4 redesignating clause (iii) as clause (ii).

5 (d) The amendments made by this section shall be
 6 effective with respect to taxable years ending after the
 7 date of the enactment of this Act.

8 (e) Section 202 of Public Law 93-66 is repealed.

9 INCREASE IN LUMP-SUM DEATH BENEFITS

10 SEC. 105. (a) Section 202 (i) of the Social Security
 11 Act is amended by striking out "three times such individual's
 12 primary insurance amount, or an amount equal to \$255" and
 13 inserting in lieu thereof "four times such individual's pri-
 14 mary insurance amount, or an amount equal to 150 percent
 15 of the last figure in column IV of the table in (or deemed to
 16 be in) section 215 (a) as in effect at the time of such indi-
 17 vidual's death".

18 (b) The amendments made by this section shall be
 19 effective with respect to lump-sum death payments under
 20 title II of the Social Security Act in the case of death oc-
 21 ccurring on or after the date of the enactment of this Act.

22 REDUCTION IN RETIREMENT AGE FOR OLD-AGE, WIFE'S,
 23 HUSBAND'S, AND PARENT'S INSURANCE BENEFITS

24 SEC. 106. (a) (1) Section 202 (a) of the Social Secu-
 25 rity Act is amended—

1 (A) by striking out "age 62" in paragraph (2)
2 and inserting in lieu thereof "age 60"; and

3 (B) by striking out "the age of 65" in paragraph
4 (3) and inserting in lieu thereof "age 62".

5 (2) Section 202 (b) (1) of such Act is amended—

6 (A) by striking out "age 62" in subparagraph

7 (B) and inserting in lieu thereof "age 60";

8 (B) by striking out "age 62" each place it appears
9 in subparagraph (G) and inserting in lieu thereof "age
10 60"; and

11 (C) by striking out "age 62" in subparagraph
12 (I) and inserting in lieu thereof "age 60".

13 (3) Section 202 (c) of such Act is amended—

14 (A) by striking out "age 62" in paragraph (1)

15 (B) and inserting in lieu thereof "age 60"; and

16 (B) by striking out "age 62" in paragraph (2)
17 (A) and inserting in lieu thereof "age 60".

18 (4) Section 202 (h) (1) (A) of such Act is amended
19 by striking out "age 62" and inserting in lieu thereof "age
20 60".

21 (b) (1) Section 202 (q) (2) of such Act is amended
22 by striking out "age 65" and inserting in lieu thereof "age
23 62".

24 (2) Section 202 (q) (3) (A) of such Act is amended
25 by striking out "age 62" and "age 65" and inserting in
26 lieu thereof "age 60" and "age 62", respectively.

1 (3) Section 202 (q) (3) of such Act is further
2 amended—

3 (A) by striking out “the age of 65” and “age 62”
4 in subparagraph (E) and inserting in lieu thereof “age
5 62” and “age 60”, respectively;

6 (B) by striking out “the age of 62” and “age 62”
7 in subparagraph (F) and inserting in lieu thereof in
8 each instance “age 60”; and

9 (C) by striking out “the age of 62” and “age 62”
10 in subparagraph (G) and inserting in lieu thereof in
11 each instance “age 60”.

12 (4) Section 202 (q) (5) of such Act is amended—

13 (A) by striking out “age 62” in subparagraph

14 (B) and inserting in lieu thereof “age 60”; and

15 (B) by striking out “age 65” in subparagraph

16 (C) and inserting in lieu thereof “age 62”.

17 (5) Section 202 (q) (9) of such Act is amended to read
18 as follows:

19 “(9) For purposes of this section, the term ‘retirement
20 age’ means age 62.”

21 (6) Section 202 (r) of such Act is amended by striking
22 out “age 65” in paragraphs (1) and (2) and inserting in
23 lieu thereof “age 62”.

24 (c) Section 214 (a) (1) of such Act is amended by
25 striking out “age 62” and inserting in lieu thereof “age 60”.

1 (2) Section 215 (b) (3) of such Act is amended by
2 striking out "age 62" and inserting in lieu thereof "age 60".

3 (3) In the case of an individual who is entitled to
4 monthly benefits under section 202 or 223 of the Social Se-
5 curity Act for a month after the month in which this Act is
6 enacted, on the basis of the wages and self-employment in-
7 come of an insured individual who in or prior to the month
8 in which this Act is enacted became entitled to benefits under
9 section 202 (a), or who in or prior to such month be-
10 came entitled to benefits under section 223 after the year in
11 which he attained age 60, or who died in or prior to such
12 month in a year after the year in which he attained age 60,
13 the Secretary shall, notwithstanding paragraphs (1) and
14 (2) of section 215 (f) of such Act, recompute the primary
15 insurance amount of such insured individual. Such recom-
16 putation shall be made under the computation methods in
17 section 215 (b) and (d) of such Act, as amended by this
18 Act, as such methods would apply in the case of an insured
19 individual who attained age 60 after the month in which this
20 Act is enacted, except that the provisions of section 215
21 (d) (3) of such Act shall not apply.

22 (4) Sections 209 (i) and 216 (i) (3) (A) of such Act
23 are amended by striking out "age 62" and inserting in lieu
24 thereof "age 60".

25 (5) (A) Section 223 (a) (2) of such Act is amended—

1 (i) by striking out "age 62" and inserting in lieu
2 thereof "age 60"; and

3 (ii) by striking out "age 62" each place it appears
4 and inserting in lieu thereof "age 60".

5 (B) Section 223 (c) (1) (A) of such Act is amended
6 by striking out "age 62" and inserting in lieu thereof "age 60"

7 (6) Paragraph (9) of section 3121 (a) of the Internal
8 Revenue Code of 1954 (relating to definition of wages) is
9 amended to read as follows:

10 " (9) any payment (other than vacation or sick
11 pay) made to an employee after the month in which he
12 attains age 60, if such employee did not work for the
13 employer in the period for which such payment is
14 made;"

15 (d) (1) Section 202 (d) (8) (D) (ii) of the Social Se-
16 curity Act is amended by striking out "age 65" each place
17 it appears and inserting in lieu thereof "age 62".

18 (2) Section 202 (m) of such Act is amended—

19 (A) by striking out "(1)" immediately after
20 "(m)";

21 (B) by striking out " , except as provided in para-
22 graph (2) "; and

23 (C) by striking out paragraphs (2) and (3) .

24 (3) Section 202 (w) of such Act is amended by striking
25 out "age 65" in paragraphs (1) and (2) (A) and inserting
26 in lieu thereof "age 62".

1 (4) Section 203 (c) (2) of such Act is amended by
2 striking out "age 65" and inserting in lieu thereof "age 62".

3 (5) Section 203 (f) (5) (D) of such Act is amended by
4 striking out "the age of 65" in clauses (i) and (ii) and in-
5 serting in lieu thereof "the age of 62".

6 (6) Section 213 (a) of such Act is amended by striking
7 out "age 62" (in the sentence immediately following clause
8 (v) of paragraph (2)) and inserting in lieu thereof "age 60".

9 (7) Section 215 (a) (2) of such Act is amended by
10 striking out "age 65" and inserting in lieu thereof "age 62".

11 (8) Section 216 of such Act is amended by striking out
12 "age 62" in subsection (b), (c), (f), and (g) and insert-
13 ing in lieu thereof in each instance "age 60".

14 (9) Section 216 (h) (3) (A) of such Act is amended by
15 striking out "age 65" in clauses (i) and (ii) and inserting
16 in lieu thereof "age 62".

17 (10) (A) Section 216 (i) (2) (B) of such Act is
18 amended by striking out "the age of 65" and inserting in lieu
19 thereof "the age of 62".

20 (B) Section 216 (i) (2) (D) of such Act is amended by
21 striking out "age 65" and inserting in lieu thereof "age 62".

22 (11) Section 223 (a) (1) of such Act is amended—

23 (A) by striking out "the age of 65" in subpara-
24 graph (B) and inserting in lieu thereof "the age of
25 62"; and

(B) by striking out "age 65" in the matter following subparagraph (D) and inserting in lieu thereof "age 62".

(12) Section 224 (a) of such Act is amended by striking out "the age of 62" and inserting in lieu thereof "the age of 60".

(e) (1) Section 226 (a) (1) (A) of such Act is amended by striking out "age 65" and inserting in lieu thereof "age 62".

(2) Section 226 (b) of such Act is amended by striking out "age 65" in paragraph (1) and in the matter following paragraph (2) and inserting in lieu thereof "age 62".

(3) Section 226 (c) (1) of such Act is amended by striking out "age 65" and inserting in lieu thereof "age 62".

(4) Section 226 (e) (1) of such Act is amended by striking out "the age of 65" and inserting in lieu thereof "the age of 62".

(5) Section 1811 of such Act is amended by striking out "age 65" each place it appears and inserting in lieu thereof "age 62".

(6) Section 1818 (a) (1) of such Act is amended by striking out "the age of 65" and inserting in lieu thereof "the age of 62".

(7) Section 1836 (1) of such Act is amended by strik-

1 ing out "the age of 65" and inserting in lieu thereof "the
2 age of 62".

3 (8) Section 1837 of such Act is amended by striking
4 out "age 65" each place it appears in subsections (c), (d),
5 and (g) and inserting in lieu thereof "age 62".

6 (f) Section 3 (e) of the Railroad Retirement Act of
7 1937 is amended—

8 (1) by striking out clause (ii) in the second para-
9 graph and redesignating clauses (iii) and (iv) in such
10 paragraph as clauses (ii) and (iii), respectively; and

11 (2) by striking out "age 65 (62 in the case of a
12 woman)" in the fourth paragraph and inserting in lieu
13 thereof "age 62".

14 (g) The amendments made by this section (other than
15 those made by subsections (e) and (f)) shall apply only
16 with respect to monthly benefits payable under title II of
17 the Social Security Act for months after the month in which
18 this Act is enacted, and only on the basis of an application
19 filed in or after the month in which this Act is enacted in
20 the case of an individual who is not entitled to such a bene-
21 fit for such month. The amendments made by subsection (e)
22 shall apply only with respect to items and services furnished
23 after the month in which this Act is enacted. The amend-
24 ments made by subsection (f) shall apply only with respect

1 to annuities accruing in and pensions payable for months after
2 the month in which this Act is enacted.

3 REDUCTION IN AGE OF ELIGIBILITY FOR WIDOW'S AND WID-
4 OWER'S INSURANCE BENEFITS; ELIMINATION OF AGE
5 REQUIREMENTS FOR SUCH BENEFITS IN CASES OF DIS-
6 ABILITY

7 SEC. 107. (a) (1) Section 202 (e) (1) (B) of the So-
8 cial Security Act is amended to read as follows:

9 " (B) (i) has attained age 55,

10 " (ii) in the case of a widow, has attained age 50
11 (but not age 55) prior to the date on which such
12 individual died, if such individual was entitled to an old-
13 age or disability insurance benefit for the month preced-
14 ing the month in which he died, or

15 " (iii) has not attained age 55 (or age 50 in a case
16 to which clause (ii) applies) and is under a disability
17 (as defined in section 223 (d)) which began before the
18 end of the period specified in paragraph (5) ,".

19 (2) Section 202 (e) (1) (E) of such Act is amended by
20 striking out "clause (i) " and inserting in lieu thereof "clause
21 (i) or (ii) ".

22 (3) Section 202 (e) (1) (F) of such Act is amended
23 by striking out "clause (ii) " and inserting in lieu thereof
24 "clause (iii) ".

1 (4) Section 202 (e) (1) of such Act is further amended
2 by striking out "age 60" in the matter following subpara-
3 graph (F) and inserting in lieu thereof "age 55 (and
4 satisfied subparagraph (B) by reason of clause (iii) but not
5 clause (ii) thereof)".

6 (5) Section 202 (e) (4) of such Act is amended by
7 striking out "the age of 60" and inserting in lieu thereof
8 "the age of 50."

9 (6) Section 202 (e) (5) of such Act is amended—

10 (A) by striking out "paragraph (1) (B) (ii)" and
11 inserting in lieu thereof "(1) (B) (iii)"; and

12 (B) by striking out "age 60" and inserting in lieu
13 thereof "age 55".

14 (b) (1) Section 202 (f) (1) (B) of such Act is amended
15 to read as follows:

16 "(B) (i) has attained age 55,

17 "(ii) has attained age 50 (but not age 55) prior to
18 the date on which such individual died, if such individ-
19 ual was entitled to an old-age or disability insurance
20 benefit for the month preceding the month in which
21 she died, or

22 "(iii) has not attained age 55 (or age 50 in a case
23 to which clause (ii) applies) and is under a disability
24 (as defined in section 223 (d)) which began before the
25 end of the period specified in paragraph (5),".

1 (2) Section 202 (f) (1) (F) of such Act is amended
2 by striking out "clause (i)" and inserting in lieu thereof
3 "clause (i) or (ii)".

4 (3) Section 202 (f) (1) (G) of such Act is amended by
5 striking out "clause (ii)" and inserting in lieu thereof
6 "clause (iii)".

7 (4) Section 202 (f) (1) of such Act is further amended
8 by striking out "age 60" in the matter following subpara-
9 graph (G) and inserting in lieu thereof "age 55 (and satis-
10 fied subparagraph (B) by reason of clause (iii) but not
11 clause (ii) thereof)".

12 (5) Section 202 (f) (5) of such Act is amended by
13 striking out "the age of 60" and inserting in lieu thereof "the
14 age of 50".

15 (6) Section 202 (f) (6) of such Act is amended—

16 (A) by striking out "paragraph (1) (B) (ii)" and
17 inserting in lieu thereof "1 (B) (iii)"; and

18 (B) by striking out "age 60" and inserting in
19 lieu thereof "age 55".

20 (c) (1) Section 202 (q) (1) of such Act is amended—

21 (A) by striking out "age 62" in subparagraph

22 (B) (ii) and inserting in lieu thereof "age 60"; and

23 (B) by striking out "age 62" in clauses (i) and

24 (ii) of subparagraph (D) and inserting in lieu thereof

25 "age 60".

1 (2) Section 202 (q) (3) (A) of such Act (as amended
2 by section 106 (b) (2) of this Act) is amended by striking
3 out “and has attained age 60 (in the case of a wife’s or
4 husband’s insurance benefit) or age 50 (in the case of a
5 widow’s or widower’s insurance benefit)” and inserting in
6 lieu thereof “(and has attained age 60 in the case of a wife’s
7 or husband’s insurance benefit)”.

8 (3) Section 202 (q) (6) (B) (i) of such Act is amended
9 by inserting after “the first day of the first month for which
10 such individual is entitled to such benefit” the following: “or
11 the first day of the month in which such individual attains age
12 50, whichever is the later,”.

13 (4) Section 202 (q) (7) (E) of such Act is amended
14 by striking out “age 62” and inserting in lieu thereof “age
15 60”.

16 (d) (1) The last sentence of section 203 (c) of such Act
17 is amended—

18 (A) by striking out “age 65” each place it ap-
19 pears and inserting in lieu thereof “age 62”;

20 (B) by striking out “age 60” the first place it
21 appears and inserting in lieu thereof “age 55 and satisfied
22 section 202 (e) (1) (B) by reason of clause (iii) but
23 not clause (ii) thereof”; and

24 (C) by striking out “age 60” the second place it
25 appears and inserting in lieu thereof “age 55 and satisfied

1 section 202 (f) (1) (B) by reason of clause (iii) but
2 not clause (ii) thereof”.

3 (2) Clause (D) of the last sentence of section 203
4 (f) (1) of such Act is amended—

5 (A) by striking out “age 65” each place it appears
6 and inserting in lieu thereof “age 62”;

7 (B) by striking out “age 60” the first place it ap-
8 pears and inserting in lieu thereof “age 55 and satis-
9 fied section 202 (e) (1) (B) by reason of clause (iii)
10 but not clause (ii) thereof”; and

11 (C) by striking out “age 60” the second place it
12 appears and inserting in lieu thereof “age 55 and satisfied
13 section 202 (f) (1) (B) by reason of clause (iii) but not
14 clause (ii) thereof”.

15 (3) Section 222 (b) (1) of such Act is amended by
16 striking out “age 60” and inserting in lieu thereof “age 55
17 and satisfied paragraph (1) (B) of section 202 (e) or (f)
18 (as the case may be) by reason of clause (iii) but not
19 clause (ii) thereof”.

20 (4) Section 222 (d) (1) of such Act is amended—

21 (A) by striking out “age 60” in clauses (C) and
22 (D) and inserting in lieu thereof “age 55 and satisfied
23 paragraph (1) (B) of such section by reason of clause
24 (iii) but not clause (ii) thereof”;

25 (B) by striking out “age 60” the first place it

1 appears in the matter following clause (D) and inserting
2 in lieu thereof "age 55"; and

3 (C) by striking out "age 60" the second place it
4 appears in the matter following clause (D) and inserting
5 in lieu thereof "age 55 and are under a disability".

6 (5) Section 225 of such Act is amended by striking
7 out "or that a widow or surviving divorced wife who has not
8 attained age 60 and is entitled to benefits under section
9 202 (e), or that a widow who has not attained age 60 and
10 is entitled to benefits under section 202 (f)" and inserting
11 in lieu thereof the following: "or that a widow, widower, or
12 surviving divorced wife entitled to benefits under section
13 202 (e) or 202 (f) who has not attained age 55 and satis-
14 fied paragraph (1) (B) of such section by reason of clause
15 (iii) but not clause (ii) thereof".

16 (6) Section 226 (f) (1) of such Act (relating to en-
17 titlement to hospital insurance benefits in the case of certain
18 widows and widowers) is amended by striking out "there-
19 of—" and all that follows and inserting in lieu thereof the
20 following: "thereof, the term 'age 55' in sections 202 (e)
21 (1) (B) (ii), 202 (e) (5), 202 (f) (1) (B) (ii), and 202
22 (f) (6) shall be deemed to read 'age 62'."

23 (e) The amendments made by this section shall apply
24 only with respect to monthly insurance benefits payable
25 under title II of the Social Security Act for months after

1 the month in which this Act is enacted, on the basis of
2 applications filed in or after such month.

3 TERMINATION OF ACTUARIAL REDUCTION WHEN TOTAL
4 REDUCTION EQUALS ADDITIONAL BENEFITS RECEIVED

5 SEC. 108. (a) Section 202 (q) of the Social Security
6 Act is amended by adding at the end thereof the following
7 new paragraph:

8 “(10) Notwithstanding any other requirement imposed
9 by this title, no reduction shall be made under this sub-
10 section in the monthly insurance benefit payable to any
11 individual for any month under any provision of this sec-
12 tion or section 223 if the total of the reductions made under
13 this subsection in the benefits payable to him for all prior
14 months under that provision equals or exceeds the total of
15 the monthly insurance benefits to which he was entitled
16 under that provision (after reduction under this subsection)
17 for months prior to the month in which he attained retire-
18 ment age.”

19 (b) Paragraphs (1), (3) (A), (E), (F), and (G)
20 of section 202 (q) of such Act are each amended by strik-
21 ing out “If” and inserting in lieu thereof “Subject to para-
22 graph (10), if”.

23 (c) The amendments made by this section shall apply
24 with respect to monthly insurance benefits payable under

1 title II of the Social Security Act for months after the month
2 in which this Act is enacted.

3 BENEFITS AT AGE 55 FOR FORCED RETIREES

4 Sec. 109. (a) Section 202 of the Social Security Act
5 is amended by adding at the end thereof the following new
6 subsection:

7 "Reduced Retirement Age for Forced Retirees and
8 Certain Other Unemployed Persons

9 "(x) (1) Under regulations prescribed by the Secre-
10 tary, any individual who—

11 "(A) has attained age 55, and

12 "(B) (i) is required by his employer (after hav-
13 ing been employed by such employer for 5 or more
14 years) to retire prior to attaining age 60 in compliance
15 with a Federal, State, or local law, ordinance, regula-
16 tion, or order establishing a policy of early retirement for
17 employees in positions of the type held by such in-
18 dividual, or in compliance with a policy of early retire-
19 ment for employees in such positions which has been
20 established (and is being effectively enforced) by such
21 employer, or

22 "(ii) is unemployed and unable to obtain employ-
23 ment or self-employment suited to his experience and
24 abilities, and has no reasonable prospect of obtaining
25 any such employment or self-employment prior to at-
26 taining age 60,

1 shall be deemed for all the purposes of this title (unless such
2 individual is entitled to benefits under section 223) to satisfy
3 the requirement of subsection (a) (2).

4 “(2) In any case where an individual satisfies the re-
5 quirement of subsection (a) (2) solely by reason of para-
6 graph (1) of this subsection—

7 “(A) the provisions of subsection (q) (1) which
8 follow subparagraph (B) thereof shall apply to such in-
9 dividual’s old-age insurance benefit in the same way as
10 they would apply to a widow’s or widower’s insurance
11 benefit; and

12 “(B) for purposes of sections 214(a) (1) and 215
13 (b) (3), such individual shall be deemed to have at-
14 tained age 60 in the calendar year in which he first
15 satisfies such requirement.

16 The Secretary shall prescribe such regulations (including
17 regulations modifying any other conditions and require-
18 ments of this title which would prevent or diminish the in-
19 tended entitlement to benefits of the individuals described
20 in paragraph (1)) as may be necessary to assure that the
21 purpose of this subsection is effectively carried out.”

22 (b) Section 202(a) (2) of such Act (as amended by
23 section 106(a) (1) (A) of this Act) is amended by insert-
24 ing immediately after “age 60” the following: “(or satisfies
25 the requirement of this paragraph by reason of subsection
26 (x) (1))”.

(c) The amendments made by this section shall apply only with respect to monthly insurance benefits under title II of the Social Security Act for months after the month in which this Act is enacted.

5 FULL BENEFITS FOR WOMEN WITH 120 QUARTERS OF
6 COVERAGE

7 SEC. 110. (a) Section 202 (q) of the Social Security
8 Act (as amended by section 108 (a) of this Act) is amended
9 by adding at the end thereof the following new paragraph:

10 “(11) Notwithstanding any other provision of this
11 section, there shall be no reduction under this subsection
12 in the old-age insurance benefit of any woman for any
13 month after she has 120 quarters of coverage (whenever
14 acquired) and none of the provisions of this subsection shall
15 apply with respect to such benefit.”

(b) The amendment made by subsection (a) shall apply only with respect to monthly insurance benefits under title II of the Social Security Act for months after the month in which this Act is enacted.

20 PAYMENT OF BENEFITS TO HUSBAND AND WIFE ON BASIS
21 OF COMBINED EARNINGS RECORD

22 SEC. 111. (a) Section 202 (a) of the Social Security
23 Act (as amended by the preceding provisions of this Act)
24 is amended to read as follows:

25 “(a) (1) Every individual who—

1 “(A) is a fully insured individual (as defined in
2 section 214 (a)),

3 “(B) has attained age 60 (or satisfies the require-
4 ment of this subparagraph by reason of subsection (x)
5 (1)), and

6 “(C) has filed application for old-age insurance
7 benefits or was entitled to disability insurance benefits
8 for the month preceding the month in which he attained
9 age 62,

10 shall be entitled to an old-age insurance benefit for each
11 month beginning with the first month in which such individ-
12 ual becomes so entitled to such insurance benefits and ending
13 with the month preceding the month in which he dies.

14 “(2) Except as provided in subsection (q) and sub-
15 section (w), such individual’s old-age insurance benefit for
16 any month shall be equal to his primary insurance amount
17 for such month as determined under section 215 (a), or
18 as determined under paragraph (3) of this subsection if
19 such paragraph is applicable and its application increases
20 the total of the monthly insurance benefits payable for such
21 month to such individual and his spouse. If the primary
22 insurance amount of an individual for any month is deter-
23 mined under paragraph (3), the primary insurance amount
24 of his spouse for such month shall, notwithstanding the pre-
25 ceding sentence, be determined only under paragraph (3).

1 “(3) If an individual and his spouse are living in the
2 same household (as determined by the Secretary on the
3 basis of evidence available to him), and each of them is
4 entitled to benefits under this subsection (or section 223), or
5 one of them is so entitled and the other would upon satisfy-
6 ing subparagraphs (A) and (C) of paragraph (1) be en-
7 titled to benefits under this subsection, then the primary
8 insurance amount of such individual, and the primary insur-
9 ance amount of such spouse (who shall be deemed to be
10 entitled to benefits under this subsection, whether or not
11 satisfying such subparagraphs, beginning with the later of
12 the month in which such spouse attains age 60 or the month
13 in which such individual became entitled to benefits under
14 this subsection), for any month, shall each be equal to the
15 amount derived by—

16 “(A) adding together such individual’s average
17 monthly wage and such spouse’s average monthly wage,
18 as determined under section 215 (b),

19 “(B) applying section 215 (a) (1) (A) to their
20 combined average monthly wage determined under
21 subparagraph (A) (subject to the next sentence) as
22 though such combined average monthly wage were such
23 individual’s average monthly wage determined under
24 section 215 (b), and

1 “(C) multiplying the amount determined under
2 subparagraph (B) by 75 percent.

3 In no event shall the combined average monthly wage of
4 such individual and his spouse be greater than the average
5 monthly wage that would result under section 215 (b) with
6 respect to a person who became entitled to benefits under
7 this subsection (without having established a period of dis-
8 ability) in the calendar year in which the primary insurance
9 amounts of such individual and spouse are determined under
10 this paragraph, and who had the maximum wages and self-
11 employment income that can be counted, pursuant to section
12 215 (e), in all his benefit computation years. The primary
13 insurance amount of an individual and his spouse determined
14 under this paragraph shall not be increased unless there is
15 an increase in the primary insurance amount of either of them
16 pursuant to provisions of this title other than this paragraph.

17 “(4) (A) Paragraph (3) shall also apply to an indi-
18 vidual and his spouse who are not living in the same house-
19 hold for any month with respect to which both such indi-
20 vidual and such spouse have indicated, in such manner and
21 form as the Secretary shall by regulations prescribe, that
22 they desire to have their primary insurance amounts deter-
23 mined under paragraph (3).

24 “(B) Paragraph (3) shall not apply—

1 “(i) for any month with respect to which an indi-
2 vidual or his spouse indicates, in such manner and
3 form as the Secretary shall by regulations prescribe,
4 that he or she does not desire to have his or her pri-
5 mary insurance amount determined under paragraph
6 (3), or

7 “(ii) for purposes of determining the amount of
8 any monthly benefits which (without regard to section
9 203 (a)) are payable under the provisions of this sec-
10 tion other than this subsection on the basis of the wages
11 and self-employment income of an individual or his
12 spouse.”

13 (b) (1) (A) Section 202 (e) (2) (A) of such Act is
14 amended by striking out “shall be equal to the primary
15 insurance amount of such deceased individual” and insert-
16 ing in lieu thereof “shall be equal to the larger of (A) the
17 primary insurance amount of such deceased individual for
18 such month as determined under section 215 (a), or (B)
19 110 percent of the primary insurance amount of such in-
20 dividual as determined under subsection (a) (3) of this
21 section (assuming for purposes of this clause that such
22 subsection was applicable) for the month preceding the
23 month in which he died”.

24 (B) Section 202 (e) (2) (B) of such Act is amended

1 by inserting "determined under section 215 (a)" after "en-
2 titled to an old-age insurance benefit".

3 (2) (A) Subparagraph (A) of the paragraph of section
4 202 (f) of such Act redesignated as paragraph (2) by sec-
5 tion 121 (b) (2) of this Act is amended by striking out
6 "shall be equal to the primary insurance amount of his
7 deceased wife" and inserting in lieu thereof "shall be equal
8 to the larger of (A) the primary insurance amount of his
9 deceased wife for such month as determined under section
10 215 (a), or (B) 110 percent of the primary insurance
11 amount of his deceased wife as determined under subsection
12 (a) (3) of this section (assuming for purposes of this
13 clause that such subsection was applicable) for the month
14 preceding the month in which she died".

15 (B) Subparagraph (B) of the paragraph of section
16 202 (f) of such Act so redesignated is amended by inserting
17 "determined under section 215 (a)" after "entitled to an
18 old-age insurance benefit".

19 (c) Section 203 (a) of such Act is amended by striking
20 out the period at the end of paragraph (5) and inserting
21 in lieu thereof ", or", and by inserting after paragraph (5)
22 the following new paragraph:

23 "(6) when the primary insurance amount of the
24 insured individual is determined under section 202 (a)

1 (3), such total of benefits for any month shall not be
2 reduced to less than the larger of—

3 “(A) the amount determined under this subsec-
4 tion without regard to this paragraph, or

5 “(B) (i) the amount appearing in column V
6 of the table in (or deemed to be in) section 215 (a)
7 on the line on which appears in column IV the
8 amount determined under subparagraph (B) of
9 such section 202 (a) (3) for such individual and his
10 spouse, or

11 “(ii) if the amount so determined under such
12 subparagraph (B) does not appear in column IV—

13 “(I) the amount appearing in column V
14 on the line on which appears in column IV the
15 next higher amount, if the amount so deter-
16 mined under such subparagraph (B) is less than
17 the last figure in column IV, or

18 “(II) an amount which bears the same
19 ratio to the amount appearing on the last line of
20 column V as the amount determined under such
21 subparagraph (B) bears to the amount appear-
22 ing on the last line of column IV, if the amount
23 so determined under such subparagraph (B) is
24 greater than the last figure in column IV.”

25 (d) (1) Section 215 (f) (1) of such Act is amended

1 by inserting “(or section 202 (a) (3))” after “determined
2 under this section”.

3 (2) The second sentence of section 215 (f) (2) of such
4 Act is amended by inserting before the period at the end
5 thereof the following: “, or as provided in paragraph (3) of
6 section 202 (a) if such paragraph is applicable (but disre-
7 garding any increase which might result under the second
8 sentence of such paragraph solely from changes in the
9 maximum wages and self-employment income that can be
10 counted in the years involved) ”.

11 (e) Section 223 (a) (2) of such Act is amended by
12 inserting after “section 215” the following: “or under sec-
13 tion 202 (a) (3) ”.

14 (f) (1) The amendments made by subsections (a),
15 (b), and (c) shall apply only with respect to monthly insur-
16 ance benefits under title II of the Social Security Act for and
17 after the month following the month in which this Act is
18 enacted.

19 (2) In the case of an individual or his spouse who
20 became entitled to benefits under section 202 (a) or section
21 223 of the Social Security Act prior to the month following
22 the month in which this Act is enacted (but without re-
23 gard to section 202 (j) (1) or section 223 (b) (2) of the
24 Social Security Act), the average monthly wage of such
25 individual or spouse, as the case may be, for purposes of

1 section 202 (a) (3) (A) of the Social Security Act, shall
 2 be the figure in the column headed "But not more than" in
 3 column III of the table in section 215 (a) (1) of the Social
 4 Security Act in effect immediately prior to the enactment
 5 of this Act on the line on which in column IV of such table
 6 appears the primary insurance amount of such individual or
 7 spouse, as the case may be, for the month in which this
 8 Act is enacted, unless the average monthly wage of such
 9 individual or such spouse, as the case may be, is, after
 10 the enactment of this Act, redetermined under section 215
 11 (b) of the Social Security Act.

12 INCREASE IN AMOUNT OF OLD-AGE, WIFE'S, AND HUS-
 13 BAND'S BENEFITS FOR INDIVIDUALS WHO POSTPONE
 14 FILING APPLICATION THEREFOR

15 SEC. 112. (a) (1) Section 202 (w) of the Social Secu-
 16 rity Act is amended to read as follows:

17 "Increased Benefits in Cases of Postponed Retirement

18 "(w) (1) Notwithstanding any other provision of this
 19 title, in any case where an individual first becomes entitled
 20 to a monthly insurance benefit under subsection (a), (b), or
 21 (c) for a month after the earliest month for which (upon
 22 filing application therefor) he could have been so entitled
 23 without any reduction under subsection (q), the amount
 24 of such benefit for any month as otherwise determined
 25 under this title shall be increased to a level which will

1 enable such individual to receive, over his remaining life-
2 time as actuarially determined for the period beginning
3 with the first month of such entitlement, the same total of
4 benefits under such subsection as he would receive over
5 his remaining lifetime as actuarially determined for the
6 period beginning with the earliest month for which he
7 could have been so entitled without reduction under sub-
8 section (q) had he filed application for benefits under such
9 subsection in such earliest month.

10 “(2) For purposes of paragraph (1), an individual who
11 first becomes entitled to a monthly insurance benefit under
12 subsection (a), (b), or (c) for a month after the earliest
13 month for which (upon filing application therefor) he could
14 have been so entitled without any reduction under subsection
15 (q), but who has theretofore been entitled to any other
16 monthly insurance benefit (except a child's or mother's
17 insurance benefit) under this section, shall be deemed to have
18 first become entitled to the benefit under subsection (a), (b),
19 or (c) for the earliest month for which he was entitled to
20 such other benefit.

21 “(3) The Secretary shall prepare and publish such de-
22 scriptive, tabular, and other material as may be necessary
23 or appropriate to enable applicants and potential applicants
24 for benefits to be adequately informed with respect to the

1 various increases in benefits under subsections (a), (b),
2 and (c) which could result from delays of varying lengths
3 in filing application therefor."

4 (2) Subsections (b) (2) and (c) (3) of section 202
5 of such Act are each amended by inserting "and subsec-
6 tion (w)" immediately after "Except as provided in subsec-
7 tion (q)".

8 (b) (1) Except as provided in paragraph (2), the
9 amendments made by subsection (a) shall apply only with
10 respect to monthly insurance benefits which are payable
11 under title II of the Social Security Act for months after the
12 month in which this Act is enacted on the basis of applica-
13 tions filed in or after the month in which this Act is enacted.

14 (2) In the case of any individual who is entitled for
15 the month in which this Act is enacted to a monthly insur-
16 ance benefit under subsection (a), (b), or (c) of section
17 202 of the Social Security Act on the basis of an application
18 filed before the month in which this Act is enacted, and who
19 first became entitled to such benefit for a month after the
20 earliest month for which (upon filing application therefor)
21 he could have been so entitled without any reduction under
22 subsection (q) of such section 202, the Secretary, upon
23 written request filed by such individual, shall redetermine
24 the amount of such benefit for months after the month in
25 which this Act is enacted (or for months after the month

1 in which such request is filed, if later) as though subsection
 2 (w) of such section 202 (as amended by subsection (a)
 3 of this section) had been applicable for purposes of deter-
 4 mining the amount of such benefit at the time application
 5 therefor was filed.

6 APPLICABILITY OF AGE-62 COMPUTATION POINT FOR MEN

7 SEC. 113. Effective with respect to months after the
 8 month in which this Act is enacted, section 104 (j) of the
 9 Social Security Amendments of 1972 is amended to read as
 10 follows:

11 “(j) The amendments made by this section (except the
 12 amendment made by subsection (i), and the amendment
 13 made by subsection (g) to section 209 (i) of the Social Secu-
 14 rity Act) shall apply only with respect to monthly insurance
 15 benefits payable under title II of the Social Security Act for
 16 months after the month of the enactment of the Social Secu-
 17 rity Amendments of 1973. The amendment made by subsec-
 18 tion (i) and the amendment made by subsection (g) to
 19 section 209 (i) of the Social Security Act, shall apply only
 20 with respect to payments after such month.”

21 BROADENING OF DISABILITY DEFINITION; REDUCTION IN 22 WAITING PERIOD

23 SEC. 114. (a) (1) Clause (A) of the first sentence of
 24 section 216 (i) (1) of the Social Security Act is amended
 25 to read as follows: “(A) inability to engage in any substan-

1 tial gainful activity by reason of any medically determinable
2 physical or mental impairment, or”.

3 (2) Section 216 (i) (2) (A) of such Act is amended
4 by striking out “five” and inserting in lieu thereof “3”.

5 (b) Section 223 (c) (2) of such Act is amended by
6 striking out “five” and inserting in lieu thereof “three”, and
7 by striking out “seventeenth” each time it appears and in-
8 serting in lieu thereof “fifteenth”.

9 (c) Section 223 (d) of such Act (as otherwise amended
10 by this Act) is further amended to read as follows:

11 “(d) (1) The term ‘disability’ means inability to engage
12 in any substantial gainful activity by reason of any medically
13 determinable physical or mental impairment.

14 “(2) For the purposes of paragraph (1) —

15 “(A) an individual (except a widow, surviving
16 divorced wife ,or widower for purposes of secit on0
17 divorced wife, or widower for purposes of section 202
18 (e) or (f)) shall be determined to be under a disability
19 only—

20 “(i) if his physical or mental impairment or
21 impairments are of such severity that he is not only
22 unable to do his previous work but cannot, consider-
23 ing his age, education, and work experience, engage
24 in any other kind of substantial gainful work which
25 exists in the national economy, or

1 “(ii) (if he has attained the age of 55 and is
2 not under a disability within the meaning of clause
3 (i)) if his physical or mental impairment or im-
4 pairments are of such severity that he is unable to
5 engage in substantial gainful activity in his regular
6 work or in any other work which exists in the na-
7 tional economy and in which he has engaged with
8 some regularity in the recent past ;

9 regardless of whether such substantial gainful work
10 exists in the immediate area in which he lives, or whether
11 a specific job vacancy exists for him, or whether he
12 would be hired if he applied for work ; and

13 “(B) a widow, surviving divorced wife, or widower
14 shall not be determined to be under a disability (for pur-
15 poses of section 202 (e) or (f)) unless his or her physi-
16 cal or mental impairment or impairments are of a level
17 of severity which under regulations prescribed by the
18 Secretary is deemed to be sufficient to preclude an indi-
19 vidual from engaging in any gainful activity.

20 “(3) For purposes of this subsection—

21 “(A) a ‘physical or mental impairment’ is an
22 impairment that results from anatomical, physiological,
23 or psychological abnormalities which are demonstrable
24 by medically acceptable clinical and laboratory diagnos-
25 tic techniques ; and

1 “(B) ‘work which exists in the national economy’
 2 means, with respect to any individual, work which exists
 3 in significant numbers either in the region where such
 4 individual lives or in several regions of the country.

5 “(4) The Secretary shall by regulations prescribe the
 6 criteria for determining when services performed or earnings
 7 derived from services demonstrate an individual’s ability to
 8 engage in substantial gainful activity. Notwithstanding the
 9 provisions of paragraph (2) and except for purposes of sec-
 10 tion 222 (c), an individual whose services or earnings meet
 11 such criteria shall be found not to be disabled—

12 “(A) if he has not attained the age of 55, or

13 “(B) if he has attained such age and if such serv-
 14 ices or earnings which meet such criteria are rendered
 15 in or derived from his regular work or any other work
 16 in which he has engaged with some regularity in the
 17 recent past.

18 “(5) An individual shall not be considered to be under
 19 a disability unless he furnishes such medical and other
 20 evidence of the existence thereof as the Secretary may
 21 require.”.

22 “(d) The second sentence of section 223 (a) (1) of such
 23 Act is amended by striking out “except for paragraph (1)
 24 (B)” and inserting in lieu thereof “except for paragraph
 25 (2) (A) (ii)”.

1 (e) (1) Section 202 (e) (6) of such Act is amended by
2 striking out "five" and inserting in lieu thereof "three"; by
3 striking out "seventeenth" and inserting in lieu thereof "fif-
4 teenth"; and by striking out "fifth" and inserting in lieu
5 thereof "third".

6 (2) Section 202 (f) (7) of such Act is amended by
7 striking out "seventeenth" and inserting in lieu thereof "fif-
8 by striking out "seventeenth" and inserting in lieu thereof
9 "fifteenth"; and by striking out "fifth" and inserting in
10 lieu thereof "third".

11 (f) The amendments made by this section shall be
12 effective with respect to applications for benefits under sec-
13 tion 202 and section 223 of the Social Security Act, and
14 for disability determinations under section 216 (i) of such
15 Act, filed—

16 (1) in or after the month in which this Act is
17 enacted, or

18 (2) before such month if the applicant has not
19 died before such month and if—

20 (A) notice of the final decision of the Secre-
21 tary of Health, Education, and Welfare has not
22 been given to the applicant before such month; or

23 (B) the notice referred to in subparagraph
24 (A) has been so given before such month but a
25 civil action with respect to such final decision is

1 commenced under section 205 (g) of the Social
2 Security Act (whether before, in, or after such
3 month) and the decision in such civil action has
4 not become final before such month;

5 except that no monthly benefits under title II of the
6 Social Security Act shall be payable or increased by
7 reason of the amendments made by this section for
8 months before the month following the month in which
9 this Act is enacted.

10 **GENERAL INSURED STATUS REQUIREMENTS FOR DISABILITY**

11 **INSURANCE BENEFITS**

12 **SEC. 115.** (a) Section 223 (c) (1) of the Social Secu-
13 rity Act is amended to read as follows:

14 “(1) An individual shall be insured for disability in-
15 surance benefits in any month if he would have been a fully
16 insured individual (as defined in section 214) had he at-
17 tained age 60 and filed application for benefits under sec-
18 tion 202 (a) on the first day of such month.”

19 (b) (1) Section 216 (i) (3) of such Act is amended
20 to read as follows:

21 “(3) The requirements referred to in clauses (i) and
22 (ii) of paragraph (2) (C) are satisfied by an individual with
23 respect to any quarter only if he would have been a fully
24 insured individual (as defined in section 214) had he

1 attained age 60 and filed application for benefits under sec-
2 tion 202 (a) on the first day of such quarter."

3 (b) The last paragraph of section 3 (e) of the Railroad
4 Retirement Act of 1937 is amended by striking out "clauses
5 (A) and (B) of".

6 (c) The amendments made by this section shall be
7 effective with respect to applications for disability insur-
8 ance benefits under section 223 of the Social Security Act,
9 and for disability determinations under section 216 (i) of
10 such Act, filed—

11 (1) in or after the month in which this Act is
12 enacted, or

13 (2) before the month in which this Act is enacted
14 if—

15 (A) notice of the final decision of the Secretary
16 of Health, Education, and Welfare has not been
17 given to the applicant before such month; or

18 (B) the notice referred to in subparagraph (A)
19 has been so given before such month but a civil
20 action with respect to such final decision is com-
21 menced under section 205 (g) of the Social Security
22 Act (whether before, in, or after such month) and
23 the decision in such civil action has not become final
24 before such month;

1 except that no monthly benefits under title II of the Social
 2 Security Act shall be payable or increased by reason of the
 3 amendments made by this section for any month before the
 4 month following the month in which this Act is enacted.

5 **ELIGIBILITY OF BLIND PERSONS FOR DISABILITY INSURANCE**

6 **BENEFITS**

7 **SEC. 116.** (a) The first sentence of section 222 (b) (1)
 8 of the Social Security Act is amended by inserting “(other
 9 than such an individual whose disability is blindness, as de-
 10 fined in section 216 (i) (1))” after “an individual entitled
 11 to disability insurance benefits”.

12 (b) Section 223 (a) (1) of such Act (as amended by
 13 the preceding provisions of this Act) is amended—

14 (1) by amending subparagraph (B) to read as
 15 follows:

16 “(B) in the case of any individual other than
 17 an individual whose disability is blindness (as de-
 18 fined in section 216 (i) (1)), has not attained the
 19 age of 62,”; and

20 (2) by striking out “the month in which he at-
 21 tains age 62” and inserting in lieu thereof “in the
 22 case of any individual other than an individual whose
 23 disability is blindness (as defined in section 216 (i)
 24 (1) (B)), the month in which he attains age 62”.

25 (c) That part of section 223 (a) (2) of such Act which

1 precedes subparagraph (a) thereof is amended by insert-
2 ing immediately after "age 62" the following: " , and,
3 in the case of any individual whose disability is blindness
4 (as defined in section 216 (i) (1)) , as though he were
5 a fully insured individual,".

6 (d) Section 223 (c) (1) of such Act (as amended by
7 the preceding provisions of this Act) is amended—

8 (1) by inserting "(other than an individual whose
9 disability is blindness, as defined in section 216 (i)
10 (1)) , " after "An individual"; and

11 (2) by adding at the end thereof the following new
12 sentence: "An individual whose disability is blindness
13 (as defined in section 216 (i) (1)) shall be insured
14 for disability insurance benefits in any month if he had
15 not less than six quarters of coverage before the quarter
16 in which such month occurs."

17 (e) Section 223 (d) (1) of such Act (as amended by
18 section 114 (c) of this Act) is amended by inserting "(A)"
19 after "means", and by inserting before the period at the end
20 thereof " , or (B) blindness (as defined in section 216 (i)
21 (1)) " .

22 (f) The second sentence of section 223 (d) (4) of such
23 Act (as so amended) is amended by inserting "(other than
24 an individual whose disability is blindness, as defined in sec-
25 tion 216 (i) (1)) " immediately after "individual".

1 (g) The amendments made by this section shall apply
 2 only with respect to monthly benefits under title II of the
 3 Social Security Act for months after the month following the
 4 month in which this Act is enacted, on the basis of applica-
 5 tions for such benefits filed after the date of enactment of
 6 this Act.

7 BENEFITS FOR WIDOWED FATHERS WITH MINOR CHILDREN

8 SEC. 117. (a) Section 202 (g) of the Social Security
 9 Act is amended to read as follows:

10 “Mother’s or Father’s Insurance Benefits

11 “(g) (1) The widow, widower, and every surviving
 12 divorced mother (as defined in section 216 (d)) of an indi-
 13 vidual who died a fully or currently insured individual, if
 14 such widow, widower, or surviving divorced mother—

15 “(A) is not married,

16 “(B) is not entitled to a widow’s or widower’s in-
 17 surance benefit,

18 “(C) is not entitled to old-age insurance benefits,
 19 or is entitled to old-age insurance benefits each of which
 20 is less than three-fourths of the primary insurance
 21 amount of such individual,

22 “(D) has filed application for mother’s or father’s
 23 insurance benefits, or was entitled to wife’s or husband’s
 24 insurance benefits on the basis of the wages and self-

1 employment income of such individual for the month
2 preceding the month in which such individual died,

3 “(E) at the time of filing such application has in
4 her or his care a child of such individual entitled to a
5 child’s insurance benefit, and

6 “(F) in the case of a surviving divorced mother—

7 “(i) the child referred to in subparagraph (E)
8 is her son, daughter, or legally adopted child, and

9 “(ii) the benefits referred to in such subpara-
10 graph are payable on the basis of such individual’s
11 wage and self-employment income,

12 shall (subject to subsection (s)) be entitled to a mother’s
13 or father’s insurance benefit for each month, beginning with
14 the first month in which she or he becomes so entitled to
15 such insurance benefits and ending with the month preceding
16 the first month in which any of the following occurs: no child
17 of such deceased individual is entitled to a child’s insurance
18 benefit, or such widow, widower, or surviving divorced
19 mother becomes entitled to an old-age insurance benefit
20 equal to or exceeding three-fourths of the primary insurance
21 amount of such deceased individual, becomes entitled to a
22 widow’s or widower’s insurance benefit, remarries, or dies.
23 Entitlement to such benefits shall also end, in the case of a
24 surviving divorced mother, with the month immediately pre-

1 ceding the first month in which no son, daughter, or legally
 2 adopted child of such surviving divorced mother is entitled
 3 to a child's insurance benefit on the basis of the wages and
 4 self-employment income of such deceased individual.

5 “(2) Such mother's or father's insurance benefit for
 6 each month shall be equal to three-fourths of the primary
 7 insurance amount of such deceased individual.

8 “(3) In the case of a widow, widower, or surviving
 9 divorced mother who marries—

10 “(A) an individual entitled to benefits under this
 11 subsection or subsection (a), (b), (e), (f), or (h),
 12 or under section 223 (a), or

13 “(B) an individual who has attained the age of
 14 eighteen and is entitled to benefits under subsection
 15 (d),

16 the entitlement of such widow, widower, or surviving di-
 17 vorced mother to benefits under this subsection shall, not-
 18 withstanding the provisions of paragraph (1) but subject
 19 to subsection (s), not be terminated by reason of such
 20 marriage; except that, in the case of such a marriage to
 21 an individual entitled to benefits under section 223 (a) or
 22 subsection (d) of this section, the preceding provisions of
 23 this paragraph shall not apply with respect to benefits
 24 for months after the last month for which such individual
 25 is entitled to such benefits under section 223 (a) or sub-

1 section (d) of this section unless (i) he or she ceases to
2 be so entitled by reason of his or her death, or (ii) in
3 the case of an individual who was entitled to benefits under
4 section 223 (a), he or she is entitled, for the month follow-
5 ing such last month, to benefits under subsection (a) of
6 this section."

7 (b) (1) Section 202 (b) (3) (A) of such Act is
8 amended by striking out "(f) or (h)" and inserting in lieu
9 thereof "(f), (g), or (h)".

10 (2) Section 202 (e) (3) (A) of such Act is amended
11 by striking out "(f) or (h)" and inserting in lieu thereof
12 "(f), (g), or (h)".

13 (c) Section 202 (f) (1) (C) of such Act (as amended
14 by the preceding provisions of this Act) is amended to read
15 as follows:

16 "(C) (i) has filed application for widower's in-
17 surance benefits, or was entitled to husband's insurance
18 benefits, on the basis of the wages and self-employment
19 income of such individual, for the month preceding the
20 month in which she died, or

21 "(ii) was entitled, on the basis of such wages and
22 self-employment income, to father's insurance benefits
23 for the month preceding the month in which he attained
24 age 65, and".

25 (d) Section 203 (c) (3) of such Act (as amended by

1 the preceding provisions of this Act) is amended to read as
2 follows:

3 “(3.) in which such individual, if a widow or wid-
4 ower entitled to a mother’s or father’s insurance benefit,
5 did not have in her or his care a child of the deceased
6 husband or wife entitled to a child’s insurance benefit;
7 or”.

8 (e) The amendments made by this section shall apply
9 only with respect to monthly insurance benefits payable
10 under title II of the Social Security Act for months after
11 the month in which this Act is enacted, on the basis of
12 applications filed in or after the month in which this Act is
13 enacted.

14 PARENT’S INSURANCE BENEFITS IN CASE OF RETIRED OR
15 DISABLED WORKER

16 SEC. 118. (a) Paragraphs (1) and (2) of section
17 202 (h) of the Social Security Act (as amended by the
18 preceding provisions of this Act) are amended to read as
19 follows:

20 “(1) Every parent (as defined in this subsection) of
21 an individual entitled to old-age or disability insurance bene-
22 fits, or of an individual who died a fully insured individual,
23 if such parent—

24 “(A) has attained age 60,

1 “(B) was receiving at least one-half of his sup-
2 port, as determined in accordance with regulations pre-
3 scribed by the Secretary, from such individual—

4 “(i) if such individual is entitled to old-age or
5 disability insurance benefits, at the time he became
6 entitled to such benefits,

7 “(ii) if such individual has a period of dis-
8 ability which continued until he became entitled

9 “(iii) if such individual has a period of dis-
10 ability which continued until he became entitled
11 to old-age or disability insurance benefits, or (if
12 he had died) until the month of his death, at the
13 beginning of such period of disability,

14 and has filed proof of such support within two years
15 after the month in which such individual filed appli-
16 cation with respect to such period of disability, became
17 entitled to such benefits or died, as the case may be,

18 “(C) is not entitled to old-age or disability insur-
19 ance benefits, or is entitled to such benefits, each of which
20 is (i) less than 50 percent of the primary insurance
21 amount of such individual if such individual is entitled
22 to old-age or disability insurance benefits, or (ii) less
23 than $82\frac{1}{2}$ percent of the primary insurance amount of
24 such individual if such individual is deceased, and if the

1 amount of the parent's insurance benefit for such month
2 is determinable under paragraph (2) (A) (or 75 per-
3 cent of such primary insurance amount in any other
4 case),

5 " (D) has not married since the time with respect
6 to which the Secretary determines, under subparagraph
7 (B) of this paragraph, that such parent was receiving
8 at least one-half of his support from such individual,
9 and

10 " (E) has filed application for parent's insurance
11 benefits,

12 shall be entitled to a parent's insurance benefit for each
13 month, beginning with the first month in which such parent
14 becomes so entitled to such parent's insurance benefits and
15 ending with the month preceding the first month in which
16 any of the following occurs—

17 " (F) such parent dies or marries, or

18 " (G) (i) if such individual is entitled to old-age or
19 disability insurance benefits, such parent becomes en-
20 titled to an old-age or disability insurance benefit based
21 on a primary insurance amount which is equal to or ex-
22 ceeds one-half of the primary insurance amount of such
23 individual, or (ii) if such individual has died, such par-
24 ent becomes entitled to an old-age or disability insur-
25 ance benefit which is equal to or exceeds 82½ percent of

1 the primary insurance amount of such deceased indi-
2 vidual if the amount of the parent's insurance benefit for
3 such month is determinable under paragraph (2) (A)
4 (or 75 percent of such primary insurance amount in any
5 other case), or

6 “(H) such individual, if living, is not entitled to
7 disability insurance benefits and is not entitled to old-
8 age insurance benefits.

9 “(2) (A) Except as provided in subparagraphs (B)
10 and (C), such parent's insurance benefit for each month
11 shall be equal to—

12 “(i) if the individual on the basis of whose wages
13 and self-employment income the parent is entitled to
14 such benefit has not died prior to the end of such month,
15 one-half of the primary insurance amount of such indi-
16 vidual for such month, or

17 “(ii) if such individual has died in or prior to such
18 month, $82\frac{1}{2}$ percent of the primary insurance amount of
19 such deceased individual;

20 “(B) For any month for which more than one parent
21 is entitled to parent's insurance benefits on the basis of the
22 wages and self-employment income of an individual who
23 died in or prior to such month, such benefit for each such
24 parent for such month shall (except as provided in subpara-

1 graph (C)) be equal to 75 percent of the primary insurance
2 amount of such deceased individual;

3 “ (C) In any case in which—

4 “ (i) any parent is entitled to a parent’s insurance
5 benefit for a month on the basis of the wages and self-
6 employment income of an individual who died in or prior
7 to such month, and

8 “ (ii) another parent of such deceased individual
9 is entitled to a parent’s insurance benefit for such month
10 on the basis of such wages and self-employment income,
11 and on the basis of an application filed after such month
12 and after the month in which the application for the
13 parent’s insurance benefits referred to in clause (i) was
14 filed,

15 the amount of the parent’s insurance benefit of the parent
16 referred to in clause (i) for the month referred to in such
17 clause shall be determined under subparagraph (A) instead
18 of subparagraph (B) and the amount of the parent’s insur-
19 ance amount of such individual minus the amount (before the
20 month shall be equal to 150 percent of the primary insur-
21 ance amount of such individual minus the amount (before the
22 application of section 203 (a)) of the benefit for such month
23 of the parent referred to in clause (i) .

24 (b) Section 202 (q) of such Act (as amended by the
25 preceding provisions of this Act) is amended—

1 (1) by inserting in paragraph (1) after "hus-
2 band's," the following: "parent's,"; and by striking out
3 in subparagraph (A) of such paragraph (1) "or hus-
4 band's" and inserting in lieu thereof ", husband's, or
5 parent's";

6 (2) by inserting in paragraph (3) after "hus-
7 band's," wherever it appears the following: "parent's,";
8 and by striking out in such paragraph (3) "or hus-
9 band's" wherever it appears and inserting in lieu thereof
10 ", husband's, or parent's";

11 (3) by inserting in paragraph (6) after husband's,"
12 wherever it appears the following: "parent's,"; and by
13 striking out in such paragraph (6) "or husband's"
14 wherever it appears and inserting in lieu thereof ", hus-
15 band's, or parent's";

16 (4) by inserting in paragraph (7) after "hus-
17 band's," the following: "parent's,"; and by striking out
18 "or husband's" and inserting in lieu thereof ", husband's,
19 or parent's"; and

20 (5) by adding at the end thereof (after the new
21 paragraph added by section 110(a) of this Act) the
22 following new paragraph:

23 “(12) For purposes of this subsection, ‘parent’s insur-
24 ance benefits’ means benefits payable under this section to a
25 parent on the basis of the wages and self-employment income

1 of an individual entitled to old-age insurance benefits or dis-
2 ability insurance benefits.”

3 (c) Section 202 (r) of such Act is amended—

4 (1) by striking out “or Husband’s” in the heading
5 and inserting in lieu thereof “, Husband’s, or Par-
6 ent’s”; and

7 (2) by striking out “or husband’s” each time it
8 appears in paragraphs (1) and (2) and inserting in
9 lieu thereof “, husband’s, or parent’s”.

10 (d) Section 203 (d) (1) of such Act is amended by
11 striking out “or child’s” wherever it appears and inserting in
12 lieu thereof “child’s, or parent’s”, and by striking out “or
13 child” and inserting in lieu thereof “child, or parent”.

14 (e) Subparagraph (C) of section 202 (q) (7) of such
15 Act is amended—

16 (1) by striking out “wife’s or husband’s insurance
17 benefits” and inserting in lieu thereof “wife’s, hus-
18 band’s, or parent’s insurance benefits”, and

19 (2) by striking out “the spouse” and inserting in
20 lieu thereof “the individual”.

21 (f) Section 222 (b) (3) of such Act is amended—

22 (1) by striking out “husband’s, or child’s” wher-
23 ever it appears and inserting in lieu thereof “husband’s,
24 parent’s, or child’s”, and

(2) by striking out "husband, or child" and inserting in lieu thereof "husband, parent, or child".

(g) The amendments made by this section shall apply only with respect to monthly insurance benefits payable under section 202 of the Social Security Act for months after the month in which this Act is enacted.

(h) The requirement in section 202 (h) (1) (B) of the Social Security Act that proof of support be filed within two years after a specified date in order to establish eligibility for parent's insurance benefits shall, insofar as such requirement applies to cases where applications under such subsection are filed by parents on the basis of the wages and self-employment income of an individual entitled to old-age or disability insurance benefits, not apply if such proof of support is filed within two years after the date of enactment of this Act.

PAYMENT OF BENEFITS TO CHILD IN SCHOOL THROUGH

AGE 23

SEC. 119. (a) (1) Section 202 (d) of the Social Security Act is amended by striking out "the age of 22" wherever it appears in paragraphs (1) (B), (1) (F), (1) (G), and (6) and inserting in lieu thereof "the age of 24".

(2) Section 202 (d) (7) (D) of such Act is amended by striking out "age 22" and inserting in lieu thereof "age 24".

(b) Section 222 (b) (4) of such Act is amended by

1 striking out "the age of 22" and inserting in lieu thereof "the
2 age of 24".

3 (c) The last sentence of section 225 of such Act is
4 amended by striking out "the age of 22" and inserting in
5 lieu thereof "the age of 24".

6 (d) The amendments made by this section shall apply
7 only with respect to monthly benefits under section 202 of
8 the Social Security Act for months after the month in which
9 this Act is enacted; except that in the case of an individual
10 who was not entitled to a monthly benefit under such sec-
11 tion 202 for the month in which this Act is enacted such
12 amendments shall apply only on the basis of an application
13 filed in or after such month.

14 **ELIGIBILITY FOR BENEFITS IN CASH OF DIVORCED WIVES**
15 **AND SURVIVING DIVORCED WIVES**

16 **SEC. 120.** (a) Paragraphs (1) and (2) of section
17 216(d) of the Social Security Act are each amended by
18 striking out "20 years" and inserting in lieu thereof "10
19 years".

20 (b) Section 202(b)(1)(G)(ii) of such Act is amend-
21 ed by striking out "20 years" and inserting in lieu thereof
22 "10 years".

23 (c) The amendments made by this section shall apply
24 only with respect to monthly insurance benefits payable

1 under title II of the Social Security Act for months after
2 the month in which this Act is enacted.

3 ELIMINATION OF SUPPORT REQUIREMENT FOR ENTI-
4 TLEMENT TO HUSBAND'S OR WIDOWER'S INSURANCE
5 BENEFITS

6 SEC. 121. (a) (1) Section 202 (c) (1) of the Social
7 Security Act is amended—

8 (A) by adding “and” at the end of subparagraph

9 (B) ;

10 (B) by striking out subparagraph (C) ; and

11 (C) by redesignating subparagraph (D) as sub-
12 paragraph (C).

13 (2) Section 202 (c) of such Act is further amended by
14 striking out paragraph (2), and by redesignating paragraph
15 (3) as paragraph (2).

16 (b) (1) Section 202 (f) (1) of such Act is amended—

17 (A) by adding “and” at the end of subparagraph

18 (C) ;

19 (B) by striking out subparagraph (D) ; and

20 (C) by redesignating subparagraphs (E), (F),
21 and (G) as subparagraphs (D), (E), and (F),
22 respectively.

23 (2) Section 202 (f) of such Act is further amended by
24 striking out paragraph (2), and by redesignating para-

1 graphs (3) through (7) as paragraphs (2) through (6),
2 respectively.

3 (3) (A) Section 202(f) (1) (B) of such Act is
4 amended by striking out "paragraph (6)" and inserting in
5 lieu thereof "paragraph (5)".

6 (B) The subparagraph of section 202(f) (1) of such
7 Act redesignated as subparagraph (F) by subsection (a)
8 (1) (C) of this section is amended by striking out "para-
9 graph (6)" and "paragraph (7)" and inserting in lieu
10 thereof "paragraph (5)" and "paragraph (6)", respectively.

11 (C) Subparagraph (A) of the paragraph of section
12 202(f) of such Act redesignated as paragraph (2) by para-
13 graph (2) of this subsection is amended by striking out
14 "paragraph (5)" and inserting in lieu thereof "paragraph
15 (4)".

16 (D) The paragraph of section 202(f) of such Act re-
17 designated as paragraph (4) by paragraph (2) of this sub-
18 section is amended by striking out "paragraph (4)" and
19 "paragraph (3)" and inserting in lieu thereof "paragraph
20 (3)" and "paragraph (2)", respectively.

21 (E) The paragraph of section 202(f) of such Act
22 redesignated as paragraph (6) by paragraph (2) of this
23 subsection is amended by striking out "paragraph (1) (G)"
24 and "paragraph (6)" and inserting in lieu thereof "para-
25 graph (1) (F)" and "paragraph (5)", respectively.

1 (c) (1) Section 202 (k) of such Act is amended—

2 (A) by striking out “or (f) (5)” wherever it ap-
3 pears in paragraphs (2) (B) and (3) (B) and insert-
4 ing in lieu thereof in each instance “or (f) (4”;

5 (B) by striking out “or (f) (3)” in paragraph (3)
6 (A) and inserting in lieu thereof “or (f) (2)”.

7 (2) Section 202 (p) (1) of such Act is amended by
8 striking out “subparagraph (C) of subsection (c) (1), clause
9 (i) or (ii) of subparagraph (D) of subsection (f) (1), or”.

10 (3) Section 202 (s) (2) of such Act is amended by strik-
11 ing out “Subsection (f) (4)” and inserting in lieu thereof
12 “Subsection (f) (3)”.

13 (4) Section 202 (s) (3) of such Act is amended by
14 striking out “Subsections (c) (2) (B) and (f) (2) (B) of
15 this section, so” and inserting in lieu thereof “So”.

16 (d) The amendments made by this section shall apply
17 with respect to monthly insurance benefits payable under
18 title II of the Social Security Act for months after the month
19 in which this Act is enacted, on the basis of applications filed
20 in or after the month in which this Act is enacted.

21 REMARRIAGE BY SURVIVOR BENEFICIARY AFTER

22 ATTAINING AGE 60

23 SEC. 122. (a) (1) (A) Section 202 (e) (1) of the Social
24 Security Act is amended by striking out “she remarries,
25 dies, or” in the matter which follows subparagraph (F)

1 and inserting in lieu thereof "she remarries before attaining
2 age 60, dies, or".

3 (B) Section 202 (e) of such Act (as amended by the
4 preceding provisions of this Act) is further amended—

5 (i) by striking out "who marries" in paragraph
6 (3) (in the matter preceding subparagraph (A)) and
7 inserting in lieu thereof "who, before attaining age 60,
8 marries"; and

9 (ii) by inserting "and before attaining the age of
10 60" immediately after "the age of 50" in paragraph
11 (4).

12 (2) (A) Section 202 (f) (1) of such Act is amended by
13 striking out "he remarries, dies, or" in the matter which fol-
14 lows subparagraph (G) and inserting in lieu thereof "he
15 remarries before attaining age 60, dies, or".

16 (B) Section 202 (f) of such Act (as amended by the
17 preceding provisions of this Act) is further amended—

18 (i) by striking out "who remarries" in the para-
19 graph redesignated as paragraph (3) by section 121

20 (b) of this Act, and inserting in lieu thereof "who,
21 before attaining age 60, remarries"; and

22 (ii) by inserting "and before attaining the age of
23 60" immediately after "the age of 50" in the paragraph
24 redesignated as paragraph (4) by section 121 (b) of
25 this Act.

1 (3) (A) Section 202 (h) (1) of such Act (as otherwise
2 amended by this Act) is amended by striking out “such
3 parent dies, marries, or” in the matter which follows sub-
4 paragraph (E) and inserting in lieu thereof “such parent
5 dies, or”.

6 (B) Section 202 (h) of such Act is further amended by
7 striking out paragraph (4) .

8 (b) (1) (A) Section 202 (d) (1) of such Act is
9 amended by striking out “such child dies or marries,” in sub-
10 paragraph (D) and inserting in lieu thereof “such child dies,
11 or marries (except as provided in paragraph (5)) ,”.

12 (B) Section 202 (d) (5) of such Act is amended by
13 striking out all that precedes “such child’s entitlement to
14 benefits” and inserting in lieu thereof the following:

15 “(5) In the case of a child who has attained the age
16 of 18 and—

17 “(A) who marries an individual entitled to bene-
18 fits under subsection (a), (b), (e), (f), (g), or (h)
19 of this section or under section 223 (a), or another in-
20 dividual who has attained the age of 18 and is entitled
21 to benefits under this subsection, or

22 “(B) who marries after attaining the age of 60,”.

23 (C) Section 202 (d) (5) of such Act is further amended
24 by inserting after “in the case of such a marriage” the fol-
25 lowing: “(other than a marriage described in clause (B))”.

1 (2) (A) Section 202 (g) (1) of such Act (as other-
2 wise amended by this Act) is amended by striking out “re-
3 marries” in the matter which follows subparagraph (F) and
4 inserting in lieu thereof “remarries (except as provided in
5 paragraph (3))”.

6 (B) Section 202 (g) (3) of such Act (as so amended)
7 is amended by striking out all that precedes “the entitle-
8 ment of such widow, widower, or surviving divorced
9 mother” and inserting in lieu thereof the following:

10 “(3) In the case of a widow, widower, or surviving
11 divorced mother—

12 “(A) who marries an individual entitled to bene-
13 fits under subsection (a), (b), (e), (f), or (h), or
14 under section 223 (a), or an individual who has attained
15 the age of 18 and is entitled to benefits under subsec-
16 tion (d), or

17 “(B) who marries after attaining the age of 60”.

18 (C) Section 202 (g) (3) of such Act (as so amended)
19 is further amended by inserting after “in the case of such
20 a marriage” the following: “(other than a marriage de-
21 scribed in clause (B))”.

22 (c) The amendments made by this section shall apply
23 only with respect to monthly insurance benefits under title
24 II of the Social Security Act for months after the month in
25 which this Act is enacted. In any case in which an indi-

1 vidual attained the age of 60, such individual may again
 2 fits by reason of a marriage or remarriage occurring before
 3 the date of the enactment of this Act but after such indi-
 4 vidual attained the age of 60, such individual may again
 5 become entitled to such benefits, subject to the first sentence
 6 of this subsection, by filing application therefor in or after
 7 the month in which this Act is enacted.

8 OPTIONAL EXEMPTION FROM COVERAGE AFTER AGE 65

9 SEC. 123. (a) (1) Section 210 of the Social Security
 10 Act is amended by adding at the end thereof the following
 11 new subsection:

12 “Service Excluded Under Election Made by Individual
 13 65 Years of Age or Over

14 “(p) Notwithstanding the provisions of subsection (a),
 15 the term ‘employment’ shall not include any service with
 16 respect to which an election under section 3121 (s) of the
 17 Internal Revenue Code of 1954 applies.”

18 (2) Section 211 (a) of such Act is amended—

19 (A) by striking out “and” at the end of para-
 20 graph (9);

21 (B) by striking out the period at the end of para-
 22 graph (10) and inserting in lieu thereof “; and”; and

23 (C) by inserting after paragraph (10) the follow-
 24 ing new paragraph:

25 “(11) There shall be excluded any income (and

1 related items) with respect to which an election under
 2 section 1402 (j) of the Internal Revenue Code of 1954
 3 applies.”

4 (b) (1) (A) Section 1402 (a) of the Internal Revenue
 5 Code of 1954 (relating to definition of net earnings from
 6 self-employment) is amended—

7 (i) by striking out “and” at the end of paragraph
 8 (10);

9 (ii) by striking out the period at the end of para-
 10 graph (11) and inserting in lieu thereof “; and”; and

11 (iii) by inserting after paragraph (11) the fol-
 12 lowing new paragraph:

13 “(12) there shall be excluded any income (and
 14 related items) with respect to which an election under
 15 subsection (j) applies.”

16 (B) Section 1402 of such Code (definitions relating to
 17 tax on self-employment income) is further amended by add-
 18 ing at the end thereof the following new subsection:

19 “(j) ELECTION OF EXEMPTION BY INDIVIDUALS 65
 20 YEARS OF AGE OR OVER.—

21 “(1) IN GENERAL.—Any individual who at the
 22 close of his taxable year is 65 years of age or over
 23 may, at his option, in such manner and form and at
 24 such time as the Secretary or his delegate shall by
 25 regulations prescribe, elect to be exempt from the tax

1 under section 1401 for such taxable year. An election
2 made by an individual for any taxable year under this
3 paragraph shall be irrevocable (and may not be sub-
4 sequently changed by amendment of such individual's
5 return for such year or otherwise).

6 “(2) APPLICABILITY OF ELECTIONS.—An elec-
7 tion made by an individual under paragraph (1) shall
8 apply with respect to all income derived during the
9 taxable year for which it is made from every trade or
10 business carried on by such individual (and with re-
11 spect to all deductions attributable to each such trade or
12 business and any distributive shares of income or loss
13 therefrom), and shall be effective with respect to any
14 payments of estimated tax for the taxable year under
15 section 6153 which fall due after it is made.

16 “(3) REQUIREMENT OF SIMULTANEOUS ELEC-
17 TION WITH RESPECT TO EMPLOYMENT.—No election
18 may be made for any taxable year under paragraph
19 (1) by an individual who during such year performed
20 service which constituted (or would but for an elec-
21 tion under section 3121(s) constitute) ‘employment’
22 for purposes of chapter 21 unless such individual also
23 makes an election with respect to all such service under
24 section 3121(s); and, under regulations prescribed by

1 the Secretary or his delegate, the election under para-
2 graph (1) shall also include or be accompanied by
3 such an election under section 3121 (s).”

4 (2) Section 3121 of such Code (definitions under
5 Federal Insurance Contributions Act) is amended by add-
6 ing at the end thereof the following new subsection:

7 “(s) SERVICE EXCLUDED UNDER ELECTION MADE BY
8 INDIVIDUAL 65 YEARS OF AGE OR OVER.—

9 “(1) IN GENERAL.—For purposes of this chap-
10 ter other than for purposes of the taxes imposed by
11 section 3111, the term ‘employment’ shall not include
12 any service with respect to which an election under
13 paragraph (2) applies.

14 “(2) ELECTION OF EXEMPTION.—

15 “(A) IN GENERAL.—Any individual who at
16 the close of his taxable year (which shall be
17 determined in the manner provided by section
18 211 (e) of the Social Security Act) is 65 years
19 of age or over may, at his option, in the manner
20 provided in subparagraph (C), elect to be exempt
21 from the taxes imposed by section 3101 for such
22 taxable year. An election made by an individual
23 for any taxable year under this paragraph shall be
24 irrevocable (and may not be changed by amend-

1 ment of such individual's return for such year or
2 otherwise).

3 “(B) APPLICABILITY OF ELECTION.—An elec-
4 tion made by an individual under this paragraph
5 shall apply with respect to all service performed by
6 such individual during the taxable year for which
7 it is made which would constitute ‘employment’
8 for purposes of this chapter but for this subsection.

9 “(C) MANNER OF ELECTION.—An election by
10 an individual under this paragraph to be exempt
11 from the tax under section 3101 for any taxable
12 year may be made only by filing a claim (which
13 must be included in or accompany an election made
14 under section 1402 (j) (1) in the case of an individ-
15 dual who is described in section 1402 (j) (3)) for a
16 special refund of such tax under section 6413 (d),
17 by means of a credit against the income tax on ac-
18 count thereof under section 31 (b) for such taxable
19 year or otherwise.”

20 (c) (1) (A) Section 6413 of the Internal Revenue
21 Code of 1954 (special rules applicable to certain employ-
22 ment taxes) is amended by redesignating subsection (d) as
23 subsection (e), and by inserting after subsection (c) the
24 following new subsection:

1 “(d) SPECIAL REFUNDS ARISING OUT OF EXEMPTION
2 BASED ON AGE.—

3 “(1) IN GENERAL.—If an employee described in
4 section 3121 (s) (2) (A) receives wages from one or
5 more employers for services performed during the tax-
6 able year (and elects the exemption provided by that
7 section), such employee shall be entitled (subject to the
8 provisions of section 31 (b)) to a credit or refund of any
9 amount of tax, with respect to such wages, imposed by
10 section 3101 and deducted from the employee's wages
11 (whether or not paid to the Secretary or his delegate) .

12 (2) NOTIFICATION TO SECRETARY OF HEALTH,
13 EDUCATION, AND WELFARE.—The Secretary or his
14 delegate shall promptly notify the Secretary of Health,
15 Education, and Welfare of each special refund allowed
16 under this subsection.”

17 (B) Section 6413 (c) of such Code (relating to special
18 refunds) is amended—

19 (i) by inserting “Based on Multiple Employment”
20 after “Refunds” in the heading; and

21 (ii) by inserting after “during such year” where
22 it appears in clauses (F), (G), and (H) of paragraph
23 (1) the following: “(after the application of section
24 3121 (s) (1) in any case to which it applies)”.

1 (2) Section 31 (b) of such Code (relating to credit for
2 special refunds of social security tax) is amended—

3 (A) by inserting “or 6413 (d)” after “section 6413
4 (c)” in paragraph (1); and

5 (B) by inserting after “to which paragraph (1)
6 applies” in paragraph (2) the following: “and which
7 represents a special refund allowable under section
8 6413 (c)”.

9 (3) Section 205 (c) (5) (F) (i) of the Social Security
10 Act is amended by inserting after “information returns”
11 the following: “, elections made under sections 1402 (j)
12 and 3121 (s) of the Internal Revenue Code of 1954,”.

13 (d) The amendments made by this section shall apply
14 only with respect to taxable years beginning after the
15 date of the enactment of this Act.

16 EXCHANGE OF OASDI AND CIVIL SERVICE CREDITS

17 SEC. 124. (a) Title II of the Social Security Act is
18 amended by adding at the end thereof the following new
19 section:

20 “EXCHANGE OF CREDITS BETWEEN SOCIAL SECURITY AND

21 CIVIL SERVICE RETIREMENT SYSTEMS

22 “SEC. 232. Under regulations prescribed by the Secre-
23 tary in consultation with the Civil Service Commission—

24 “(a) (1) If an individual age 65 or over—

1 “(A) is eligible for any annuity under subchapter
2 III of chapter 83 of title 5, United States Code, and has
3 been credited with wages or self-employment income
4 (or both) for purposes of this title but is not eligible for
5 benefits under section 202 (a), or

6 “(B) is eligible both for benefits under section
7 202 (a) and for an annuity under subchapter III of
8 chapter 83 of such title 5, but the monthly total of such
9 benefits plus such annuity is less than the monthly
10 amount to which such annuity would be increased if the
11 wages and self-employment income with which he has
12 been credited for purposes of this title had instead con-
13 stituted basic pay for employment creditable for civil
14 service retirement purposes under section 8332 of such
15 title 5, or

16 “(C) is not eligible either for benefits under section
17 202 (a) or for an annuity under subchapter III of chap-
18 ter 83 of such title 5, but (i) he would be eligible for an
19 annuity under such subchapter III if all wages and self-
20 employment income with which he has been credited for
21 purposes of this title had instead constituted basic pay
22 for employment creditable for civil service retirement
23 purposes under section 8332 of such title 5, and (ii) the
24 monthly amount of such annuity would be greater than
25 the monthly amount of any benefits for which he would

1 be eligible under section 202 (a) if the amount of any
2 basic pay which he actually received for employment so
3 creditable had instead constituted wages or self-employ-
4 ment income for purposes of this title,

5 then, upon written request filed by or on behalf of such in-
6 dividual (in such manner and form as may be provided in
7 such regulations), all wages and self-employment income
8 with which such individual has theretofore been credited for
9 purposes of this title shall be treated for purposes of such sub-
10 chapter III (effective with respect to months after the month
11 in which the request is filed) as constituting basic pay re-
12 ceived by such individual for employment creditable under
13 section 8332 of such title 5, and as having been received
14 in the same amounts and at the same times as they were ac-
15 tually received for purposes of this title; and the entries in
16 the Secretary's records with respect to such wages and self-
17 employment income shall thereupon be deleted.

18 “(2) If an individual age 65 or over—

19 “(A) is eligible for benefits under section 202 (a),
20 and has been credited with basic pay for employment
21 creditable for civil service retirement purposes under sec-
22 tion 8332 of title 5, United States Code, but is not eli-
23 gible for an annuity under subchapter III of chapter 83
24 of such title, or

25 “(B) is eligible both for benefits under section 202

1 (a) and for an annuity under subchapter III of chapter
2 83 of such title 5, but the monthly total of such benefits
3 plus such annuity is less than the monthly amount to
4 which such benefits would be increased if the basic pay
5 with which he has been credited for civil service retire-
6 ment purposes under section 8332 of such title 5 had in-
7 stead constituted wages or self-employment income for
8 purposes of this title, or

9 “(C) is not eligible either for benefits under section
10 202 (a) or for an annuity under subchapter III of
11 chapter 83 of such title 5, but (i) he would be eligible
12 for benefits under section 202 (a) if all basic pay with
13 which he has been credited for civil service retirement
14 purposes under section 8332 of such title 5 had instead
15 constituted wages or self-employment income for pur-
16 poses of this title, and (ii) the monthly amount of such
17 benefits would be greater than the monthly amount of
18 any annuity for which he would be eligible under sub-
19 chapter III of chapter 83 of such title 5 if the amount
20 of any wages and self-employment income which he
21 actually received for purposes of this title had instead
22 constituted basic pay creditable under section 8332 of
23 such title 5,

24 then, upon written request filed by or on behalf of such in-
25 dividual (in such manner and form as may be provided in

1 such regulations), all basic pay with which such individual
2 has theretofore been credited for civil service retirement
3 purposes under section 8332 of such title 5 shall be treated
4 for purposes of this title (effective with respect to months
5 after the month in which the request is filed) as constituting
6 wages and self-employment income, and as having been re-
7 ceived in the same amounts and at the same times as they
8 were actually received for purposes of such subchapter III;
9 and the entries in the Civil Service Commission's records
10 with respect to such basic pay shall thereupon be deleted.

11 “(3) For purposes of paragraphs (1) and (2), the
12 ‘monthly amount’ of an individual’s benefit or annuity in-
13 cludes (in addition to the monthly amount which is or would
14 be payable to such individual) the monthly amount of any
15 benefit or annuity which is or would be payable to other
16 persons on the basis of such individual’s wages and self-
17 employment income (in the case of benefits under section
18 202) or on the basis of his employment creditable under
19 section 8332 of title 5, United States Code (in the case of
20 annuities under subchapter III of chapter 83 of such title).

21 “(b) (1) Subject to paragraph (3), if a survivor of a
22 deceased individual—

23 “(A) is eligible for an annuity under subchapter
24 III of chapter 83 of title 5, United States Code, on
25 the basis of such individual’s creditable employment,

1 and such individual was credited with wages or self-
2 employment income (or both) for purposes of this title
3 but such survivor is not eligible for benefits under sec-
4 tion 202 on the basis of such individual's wages and
5 self-employment income, or

6 “(B) is eligible both for benefits under section
7 202 on the basis of such individual's wages and self-
8 employment income and for an annuity under sub-
9 chapter III of chapter 83 of such title 5 on the basis
10 of such individual's creditable employment, but the
11 monthly total of such benefits plus such annuity for all
12 survivors of such individual is less than the monthly
13 amount to which such annuity for all such survivors
14 would be increased if the wages and self-employment
15 income with which such individual was credited for
16 purposes of this title had instead constituted basic
17 pay for employment creditable for civil service retire-
18 ment purposes under section 8332 of such title 5, or

19 “(C) is not eligible either for benefits under section
20 202 on the basis of such individual's wages and self-
21 employment income or for an annuity under sub-
22 chapter III of chapter 83 of such title 5 on the basis
23 of such individual's creditable employment, but (i) such
24 survivor would be eligible for an annuity under such
25 subchapter III on the basis of such individual's creditable

1 employment if all wages and self-employment income
2 with which such individual was credited for purposes
3 of this title had instead constituted basic pay for em-
4 ployment creditable for civil service retirement purposes
5 under section 8332 of such title 5, and (ii) the monthly
6 amount of such annuities for all survivors of such indi-
7 vidual would be greater than the monthly amount of
8 any benefits for which such survivors would be eligible
9 under section 202 on the basis of such individual's
10 wages and self-employment income if the amount of any
11 basic pay which he actually received for employment
12 so creditable had instead constituted wages of self-em-
13 ployment income for purposes of this title,
14 then, upon written request filed by or on behalf of such
15 survivor (in such manner and form as may be provided in
16 such regulations), all wages and self-employment income
17 with which such individual was credited for purposes of
18 this title shall be treated for purposes of such subchapter III
19 (effective with respect to months after the month in which
20 the request is filed) as constituting basic pay received by
21 such individual for employment creditable under section 8332
22 of such title 5, and as having been received in the same
23 amounts and at the same times as they were actually received
24 for purposes of this title; and the entries in the Secretary's

1 records with respect to such wages and self-employment
2 income shall thereupon be deleted.

3 “(2) Subject to paragraph (3), if a survivor of a de-
4 ceased individual—

5 “(A) is eligible for benefits under section 202 on
6 the basis of such individual’s wages and self-employ-
7 ment income, and such individual was credited with
8 basic pay for employment creditable for civil service
9 retirement purposes under section 8332 of title 5, United
10 States Code, but no such survivor is eligible for an
11 annuity under subchapter III of chapter 83 of such title
12 on the basis of such individual’s creditable employment,
13 or

14 “(B) is eligible both for benefits under section
15 202 on the basis of such individual’s wages and self-
16 employment income and for an annuity under subchapter
17 III of chapter 83 of title 5 on the basis of such in-
18 dividual’s creditable employment, but the monthly total
19 of such benefits plus such annuity for all survivors of
20 such individual is less than the monthly amount to which
21 such benefits for all such survivors would be increased
22 if the basic pay with which such individual was credited
23 for civil service retirement purposes under section 8332
24 of such title 5 had instead constituted wages or self-
25 employment income for purposes of this title, or

1 “(C) is not eligible either for benefits under sec-
2 tion 202 on the basis of such individual’s wages and
3 self-employment income or for an annuity under sub-
4 chapter III of chapter 83 of such title 5 on the basis
5 of such individual’s creditable employment, but (i) such
6 survivor would be eligible for benefits under section
7 202 on the basis of such individual’s wages and self-
8 employment income if all basic pay with which such
9 individual was credited for civil service retirement pur-
10 poses under section 8332 of such title 5 had instead
11 constituted wages or self-employment income for pur-
12 poses of this title, and (ii) the monthly amount of such
13 benefits for all survivors of such individual would be
14 greater than the monthly amount of any annuities for
15 which such survivors would be eligible under subchapter
16 III of chapter 83 of such title 5 on the basis of such
17 individual’s creditable employment if the amount of any
18 wages and self-employment income which he actually
19 received for purposes of this title had instead constituted
20 basic pay creditable under section 8332 of such title 5,
21 then, upon written request filed by or on behalf of such sur-
22 vivor (in such manner and form as may be provided in such
23 regulations), all basic pay with which such individual was
24 credited for civil service retirement purposes under section
25 8332 of such title 5 shall be treated for purposes of this

1 title (effective with respect to months after the month in
2 which the request is filed) as constituting wages and self-
3 employment income, and as having been received in the
4 same amounts and at the same times as they were actually
5 received for purposes of such subchapter III; and the entries
6 in the Civil Service Commission's records with respect to
7 such basic pay shall thereupon be deleted.

8 “(3) (A) No request filed by a survivor of a deceased
9 individual under paragraph (1) or (2) of this subsection
10 shall be accepted by the Secretary as a valid request
11 unless—

12 “(i) a request is also filed under such paragraph
13 by every other living survivor of such individual who
14 is eligible for benefits under section 202 on the basis of
15 such individual's wages and self-employment income or
16 for an annuity under subchapter III of chapter 83 of
17 title 5, United States Code, on the basis of such indi-
18 vidual's employment creditable under section 8332 of
19 such title; and

20 “(ii) written consent to the filing of such request
21 is given by any living survivor of such individual who
22 is not eligible for such benefits or such annuity but who
23 could become so eligible upon attaining a specified age,
24 upon the filing of such request or requests, or upon the
25 occurrence of some other event.

1 “(B) No request may be filed by any survivor of a de-
2 ceased individual under this subsection if a request was filed
3 by such individual under subsection (a) prior to his death.

4 “(c) No request may be filed by any individual under
5 subsection (a) or by any survivor of such individual under
6 subsection (b) if such individual has received a refund of
7 any part of the retirement deductions made from his basic
8 pay under section 8334 of title 5, United States Code, or
9 the corresponding provisions of prior law, unless and until
10 the full amount of such refund has been deposited with inter-
11 est as provided in section 8334 (d) of such title.

12 “(d) Any request made under subsection (a) or (b)
13 shall be irrevocable.

14 “(e) For purposes of this section, an individual is
15 ‘eligible’ for benefits under section 202 or an annuity under
16 subchapter III of chapter 83 of title 5, United States Code,
17 if he is actually entitled to such benefits or annuity or would
18 be so entitled upon filing application therefor.

19 “(f) (1) If for any fiscal year beginning with the fiscal
20 year 1974 either the Federal Old-Age and Survivors Insur-
21 ance Trust Fund or the Civil Service Retirement and
22 Disability Fund, after taking into account any additional
23 administrative expenses incurred by it as a result of the oper-
24 ation of this section, realizes a net gain (whether in the form

1 of an actual gain or a reduction in the amount of the net loss it
2 would otherwise have suffered) as a result of—

3 “(A) the nonpayment of benefits or annuities dur-
4 ing such fiscal year with respect to individuals who
5 would have been entitled to benefits or annuities from
6 such fund (or would have been entitled to such benefits
7 or annuities in larger amounts) but for requests filed
8 under subsections (a) and (b) of this section, and

9 “(B) the increase in interest earned by such fund
10 because of the nonpayment or reduced payment of bene-
11 fits or annuities pursuant to such requests,

12 the Secretary of Health, Education, and Welfare shall transfer
13 from the Federal Old-Age and Survivors Insurance Trust
14 Fund to the Civil Service Retirement and Disability Fund
15 (if the Federal Old-Age and Survivors Insurance Trust Fund
16 is the fund realizing the gain), or the Civil Service Commis-
17 sion shall transfer from the Civil Service Retirement and
18 Disability Fund to the Federal Old-Age and Survivors Insur-
19 ance Trust Fund (if the Civil Service Retirement and Dis-
20 ability Fund is the fund realizing the gain), such amount as is
21 jointly determined by the Secretary and the Commission (in
22 consultation with the Secretary of the Treasury) to be equal
23 to the gain so realized, so as to place the transferring fund
24 in the same position (at the close of such fiscal year) as it
25 would have been in if this section had not been enacted.

1 “(2) If for any fiscal year beginning with the fiscal year
2 1974, after any transfer for such year under paragraph (1),
3 either the Federal Old-Age and Survivors Insurance Trust
4 Fund or the Civil Service Retirement and Disability Fund
5 is jointly determined by the Secretary and the Commission
6 (in consultation with the Secretary of the Treasury) to have
7 suffered a loss on account of—

8 “(A) the payment of benefits or annuities from
9 such Fund during such fiscal year with respect to in-
10 dividuals who would not have been entitled to such
11 benefits or annuities (or would have been entitled to
12 such benefits or annuities in smaller amounts) but for
13 requests filed under subsections (a) and (b) of this
14 section,

15 “(B) additional administrative expenses incurred
16 by such Fund as a result of the payment or nonpayment
17 of benefits or annuities pursuant to such requests, and

18 “(C) any loss of interest to such Fund as a result
19 of the payment of benefits or annuities pursuant to such
20 requests,

21 there is hereby appropriated to such fund such amount as
22 may be necessary to place it in the same position at the close
23 of such fiscal year as it would have been in if this section had
24 not been enacted.”

1 (b) Section 8332 of title 5, United States Code, is
2 amended by adding at the end thereof the following new
3 subsection:

4 “(1) In accordance with section 232 of the Social
5 Security Act (and notwithstanding any other provision of
6 this subchapter) —

7 “(1) credit shall be allowed for gainful activity
8 otherwise constituting employment or self-employment
9 for purposes of title II of such Act to the extent that
10 the wages and self-employment income received for or
11 derived from such employment or self-employment is
12 treated as basic pay for employment creditable under
13 this section pursuant to a request filed pursuant to sub-
14 section (a) (1) or (b) (1) of such section 232; and

15 “(2) credit shall not be allowed for service other-
16 wise creditable under this section to the extent that the
17 basic pay received for such service is treated as wages
18 and self-employment income for purposes of title II of
19 such Act pursuant to a request filed pursuant to sub-
20 section (a) (2) or (b) (2) of such section 232.”

21 (c) The amendments made by this section shall apply
22 with respect to monthly benefits payable and annuities accru-
23 ing (and lump-sum payments in the case of deaths occur-
24 ring) after the fifth month following the month in which
25 this Act is enacted, on the basis of requests filed (as pro-

1 vided in section 232 of the Social Security Act, as added by
2 subsection (a) of this section) on or after the date of the
3 enactment of this Act.

4 CHANGES IN TAX SCHEDULES

5 SEC. 125.. (a) (1) Section 1401 (a) of the Internal
6 Revenue Code of 1954 (relating to rate of tax on self-
7 employment income for purposes of old-age, survivors, and
8 disability insurance) is amended by striking out paragraph
9 (4) and inserting in lieu thereof the following:

10 " (4) in the case of any taxable year beginning
11 after December 31, 1972, and before January 1, 1974,
12 the tax shall be equal to 7.0 percent of the amount of the
13 self-employment income for such taxable year; and

14 " (5) in the case of any taxable year beginning
15 after December 31, 1973, the tax shall be equal to
16 percent of the amount of the self-employment income
17 for such taxable year."

18 (2) Section 3101 (a) of such Code (relating to rate of
19 tax on employers for purposes of old-age, survivors, and dis-
20 ability insurance) is amended by striking out paragraphs
21 (4), (5), and (6) and inserting in lieu thereof the
22 following:

23 " (4) with respect to wages received during the
24 calendar year 1973, the rate shall be 4.85 percent; and

1 “(5) with respect to wages received after Decem-
2 ber 31, 1973, the rate shall be percent.”

3 (3) Section 3111 (a) of such Code (relating to rate of
4 tax on employers for purposes of old-age, survivors, and dis-
5 ability insurance) is amended by striking out paragraphs
6 (4), (5), and (6) and inserting in lieu thereof the
7 following:

8 “(4) with respect to wages paid during the calen-
9 dar year 1973, the rate shall be 4.85 percent; and

10 “(5) with respect to wages paid after December 31,
11 1973, the rate shall be percent.”

12 (b) (1) Section 1401 (b) of such Code (relating to rate
13 of tax on self-employment income for purposes of hospital
14 insurance) is amended by striking out paragraphs (2),
15 (3), (4), and (5) and inserting in lieu thereof the
16 following:

17 “(2) in the case of any taxable year beginning
18 after December 31, 1972, and before January 1, 1974,
19 the tax shall be equal to 1.0 percent of the amount of
20 the self-employment income for such taxable year; and

21 “(3) in the case of any taxable year beginning after
22 December 31, 1973, the tax shall be equal to per-
23 cent of the amount of the self-employment income for
24 such taxable year.”

25 (2) Section 3101 (b) of such Code (relating to rate

1 of tax on employees for purposes of hospital insurance) is
 2 amended by striking out paragraphs (2), (3), (4), and
 3 (5) and inserting in lieu thereof the following:

4 “(2) with respect to wages received during the
 5 calendar year 1973, the rate shall be 1.0 percent;
 6 and

7 “(3) with respect to wages received after Decem-
 8 ber 31, 1973, the rate shall be percent.”

9 (3) Section 3111(b) of such Code (relating to rate
 10 of tax on employers for purposes of hospital insurance) is
 11 amended by striking out paragraphs (2), (3), (4), and
 12 (5) and inserting in lieu thereof the following:

13 “(2) with respect to wages paid during the calen-
 14 dar year 1973, the rate shall be 1.0 percent; and

15 “(3) with respect to wages paid after Decem-
 16 ber 31, 1973, the rate shall be percent.”

17 (c) The amendments made by subsections (a) (1)
 18 and (b) (1) shall apply only with respect to taxable years
 19 beginning after December 31, 1973. The remaining amend-
 20 ments made by this section shall apply only with respect
 21 to remuneration paid after December 31, 1973.

22 FEDERAL CONTRIBUTIONS TO TRUST FUNDS

23 SEC. 126. (a) (1) The third sentence of section 201 (a)
 24 of the Social Security Act is amended—

25 (A) by striking out (in the matter preceding clause

1 (1) thereof) "amounts equivalent to 100 per centum
2 of—", and inserting in lieu thereof "amounts equivalent
3 to—";

4 (B) by striking out (in clauses (1), (2), (3), and
5 (4) thereof) the term "the taxes" the first place it ap-
6 pears in each of such clauses, and by inserting in lieu
7 thereof "100 per centum of the taxes";

8 (C) by striking out the period at the end of clause
9 (4) thereof and inserting in lieu of such period a semi-
10 colon followed by the word "and"; and

11 (D) by inserting after clause (4) thereof the fol-
12 lowing new clause:

13 "(5) for the fiscal year ending June 30, 1974,
14 an amount equal to 5 per centum of the aggregate of
15 the amounts appropriated pursuant to paragraphs (3)
16 and (4) for such year; for the fiscal year ending June 30,
17 1975, an amount equal to 10 per centum of the aggre-
18 gate so appropriated for such year; for the fiscal year
19 ending June 30, 1976, an amount equal to 15 per
20 centum of the aggregate so appropriated for such year;
21 for the fiscal year ending June 30, 1977, an amount
22 equal to 20 per centum of the aggregate so appro-
23 priated for such year; for the fiscal year ending
24 June 30, 1978, an amount equal to 25 per centum of the
25 aggregate so appropriated for such year; for the fiscal

1 year ending June 30, 1979, an amount equal to 30 per
2 centum of the aggregate so appropriated for such year;
3 for the fiscal year ending June 30, 1980, an amount
4 equal to 35 per centum of the aggregate so appro-
5 priated for such year; for the fiscal year ending June 30,
6 1981, an amount equal to 40 per centum of the aggre-
7 gate so appropriated for such year; for the fiscal year
8 ending June 30, 1982, an amount equal to 45 per centum
9 of the aggregate so appropriated for such year; and for
10 the fiscal year ending June 30, 1983, and for each fiscal
11 year thereafter, an amount equal to 50 per centum of the
12 aggregate so appropriated for each year; except that
13 the amount appropriated pursuant to this clause for any
14 fiscal year shall be reduced by an amount equal to the
15 amount specified with respect to such year in clause
16 (3) of subsection (b) of this section."

17 (2) The fourth sentence of section 201 (a) of such Act
18 is amended by striking out "clauses (3) and (4)" the first
19 place it appears therein, and by inserting in lieu thereof
20 "clauses (3), (4), and (5)".

21 (b) (1) The third sentence of section 201 (b) of such
22 Act is amended—

23 (A) by striking out (in the matter preceding clause
24 (1) thereof) "amounts equivalent to 100 per centum

1 of—" and inserting in lieu thereof "amounts equivalent
2 to—";

3 (B) by striking out the period at the end of clause
4 (2) thereof and inserting in lieu of such period a semi-
5 colon followed by the word "and"; and

6 (C) by adding after clause (2) thereof the follow-
7 ing new clause:

8 "(3) for the fiscal year ending June 30, 1974, an
9 amount equal to 5 per centum of the aggregate of the
10 amounts appropriated pursuant to clauses (1) and (2)
11 for such year; for the fiscal year ending June 30, 1975,
12 an amount equal to 10 per centum of the aggregate so
13 appropriated for such year; for the fiscal year ending
14 June 30, 1976, an amount equal to 15 per centum of
15 the aggregate so appropriated for such year; for the
16 fiscal year ending June 30, 1977, an amount equal to
17 20 per centum of the aggregate so appropriated for such
18 year; for the fiscal year ending June 30, 1978, an
19 amount equal to 25 per centum of the aggregate so ap-
20 propriated for such year; for the fiscal year ending
21 June 30, 1979, an amount equal to 30 per centum of
22 the aggregate so appropriated for such year; for the
23 fiscal year ending June 30, 1980, an amount equal to 35
24 per centum of the aggregate so appropriated for such
25 fiscal year; for the fiscal year ending June 30, 1981, an

1 amount equal to 40 per centum of the aggregate so
2 appropriated for such fiscal year; for the fiscal year
3 ending June 30, 1982, an amount equal to 45 per
4 centum of the aggregate so appropriated for such year;
5 and for the fiscal year ending June 30, 1983, and for
6 each fiscal year thereafter, an amount equal to 50 per
7 centum of the aggregate so appropriated for each year.”

8 (2) The fourth sentence of section 201 (a) of such Act
9 (as amended by subsection (a) (2) of this section) is
10 further amended by striking out “clauses (1) and (2)” and
11 inserting in lieu thereof “clauses (1), (2), and (3)”.

12 GENERAL SAVINGS PROVISION

13 SEC. 127. In any case where—

14 (1) one or more persons are entitled (without the
15 application of sections 202 (j) (1) and 223 (b) of the
16 Social Security Act) to monthly benefits under section
17 202 or 223 of such Act for the month in which this Act is
18 enacted on the basis of the wages and self-employment
19 income of an insured individual, and

20 (2) (a) one or more persons not included in sub-
21 paragraph (A) are entitled to monthly benefits under
22 such section 202 for the month following the month in
23 which this Act is enacted solely by reason of the amend-
24 ments made by this title, on the basis of such wages and
25 self-employment income, or (B) the amount of the

1 benefit payable under such section 202 for the month
2 following the month in which this Act is enacted to any
3 of the persons included in paragraph (1) is increased
4 by reason of such amendments, and

5 (3) the total of benefits to which all persons are en-
6 titled under such sections 202 and 223 on the basis of
7 such wages and self-employment income for the month
8 following the month in which this Act is enacted is re-
9 duced by reason of section 203 (a) of such Act (or would
10 but for the penultimate sentence of such section 203 (a),
11 be so reduced),

12 then the amount of the benefit to which each person referred
13 to in paragraph (1) is entitled for any month after the
14 month in which this Act is enacted shall be adjusted, after
15 the application of such section 203 (a), to an amount no less
16 than the amount it would have been if the person or persons
17 referred to in paragraph (2) (A) were not entitled to a bene-
18 fit referred to in such paragraph (2) and no benefit (other
19 than such person's own benefit) had been increased as
20 provided in paragraph (2) (B).

21 TITLE II—HEALTH INSURANCE

22 FINANCING OF HOSPITAL INSURANCE BENEFITS AND 23 SUPPLEMENTARY MEDICAL INSURANCE BENEFITS

24 SEC. 201. (a) The text of section 1831 of the Social
25 Security Act is amended to read as follows:

1 “SEC. 1831. The insurance program for which entitle-
2 ment is established by section 226 provides medical insurance
3 benefits in accordance with this part for aged and disabled
4 individuals who are entitled to retirement benefits under title
5 II of this Act or under the railroad retirement system.”

6 (b) (1) The heading of section 1831 of such Act is
7 amended by striking out “SUPPLEMENTARY” and inserting
8 in lieu thereof “A”.

9 (2) The heading of part B of title XVIII of such Act
10 is amended by striking out “SUPPLEMENTARY”.

11 (c) So much of section 1833 (a) of such Act as pre-
12 cedes paragraph (1) is amended by striking out “Sup-
13 plementary Medical” and inserting in lieu thereof “Health”.

14 (d) (1) The provisions of sections 1836, 1837, 1838,
15 1839, and 1840 of the Social Security Act are repealed,
16 except that after June 30, 1973, the provisions of these sec-
17 tions shall apply with respect to individuals (A) who (i) are
18 not entitled to monthly insurance benefits under section 202 of
19 the Social Security Act and would not upon filing applica-
20 tion be so entitled, or (ii) are not deemed so entitled pur-
21 suant to section 103 of the Social Security Amendments of
22 1965 or are not qualified railroad retirement beneficiaries
23 (as defined in section 226 (d) of the Social Security Act),
24 (B) who were enrolled under the insurance program estab-
25 lished by part B of title XVIII of the Social Security Act

1 prior to July 1, 1973, and (C) who on such date were
2 entitled to benefits under such program. The provisions of
3 these sections shall also apply for purposes of section 1818
4 (c) of such Act.

5 (2) With respect to individuals specified in paragraph
6 (1) of this subsection—

7 (A) section 1839 (b) (2) of the Social Security
8 Act is amended by striking out “Supplementary Medi-
9 cal” and inserting “Health”; by adding at the end of
10 the first sentence before the period the following: “with
11 respect to individuals specified in section 202 (d) (1) of
12 the Social Security Amendments of 1973”; and by add-
13 ing at the end of the second sentence before the period the
14 following: “with respect to individuals specified in sec-
15 tion 202 (d) (1) of the Social Security Amendments of
16 1973”;

17 (B) sections 1839 (c) (1), 1839 (c) (4), and 1840
18 (c) (2) of such Act are amended by striking out “Sup-
19plementary Medical” and inserting in lieu thereof
20 “Health”; and

21 (C) section 1840 (g) of such Act is amended by
22 striking out “Supplementary Medical” wherever it ap-
23 pears and inserting in lieu thereof “Health”.

24 (e) Section 1841 of such Act is repealed.

1 (f) Section 1815 of such Act is amended by striking
2 out "Hospital" and inserting in lieu thereof "Health".

3 (g) Section 1817 of such Act is amended—

4 (1) by striking out "Hospital" in the heading and
5 inserting in lieu thereof "Health";

6 (2) by striking out "Hospital" in subsection (a)
7 and inserting in lieu thereof "Health";

8 (3) by adding "and part B" after "this part", in
9 the second sentence of subsection (a); and

10 (4) by adding at the end thereof the following
11 new subsection:

12 "(i) Effective July 1, 1973, there is transferred to the
13 Trust Fund all the assets of the Federal Supplementary
14 Medical Insurance Trust Fund, including any funds or
15 other assets which would have been deposited in such Sup-
16 plementary Medical Insurance Trust Fund had section 202
17 (c) of the Social Security Amendments of 1973 not been
18 enacted."

19 (h) Section 1843 of such Act is repealed.

20 (i) (1) The text section of 1844 of such Act is amended
21 to read as follows:

22 "SEC. 1844. There is authorized to be appropriated from
23 time to time, out of any moneys in the Treasury not other-
24 wise appropriated, to the Federal Health Insurance Trust
25 Fund, a Government contribution equal to the aggregate

1 premiums payable under this part and deposited in the Trust
2 Fund or transferred to the Trust Fund from the Federal
3 Supplementary Medical Insurance Trust Fund pursuant to
4 section 1817 (i) ”.

5 (2) The provisions of section 1844 (a) (2) of such
6 Act (as in effect prior to the amendment made by para-
7 graph (1) of this subsection) shall remain in effect with
8 respect to fiscal years ending before July 1, 1973.

9 (j) Section 1861 (v) (1) (B) of such Act is amended
10 by striking out “Hospital” and inserting in lieu thereof
11 “Health”.

12 (k) Section 1864 (b) of such Act is amended by strik-
13 ing out “Hospital” and inserting in lieu thereof “Health”.

14 (l) (1) Section 21 (a) of the Railroad Retirement Act
15 of 1937 is amended—

16 (A) by striking out “Hospital” in the heading and
17 inserting in lieu thereof “Health”;

18 (B) by inserting “or to have payments made to
19 them or on their behalf for medical insurance benefits
20 consisting of medical and other services, home-health
21 services, and outpatient physical therapy services” after
22 “diagnostic services”; and

23 (C) by inserting after “A” the following: “, B,”.

24 (2) Section 21 (c) of such Act is amended by inserting
25 “and part B” after “part A”.

(3) Section 21 (e) of such Act is amended—

(A) by inserting “and part B” after “part A”
each place it appears; and

(B) by striking out “Hospital” and inserting in
lieu thereof “Health”.

(4) Section 22 of such Act is amended by striking out
“for hospital insurance benefits under part A of title XVIII
of such Act and their eligibility to enroll under part B of
such title XVIII” and inserting in lieu thereof “for benefits
under part A or B of title XVIII of such Act”.

(m) (1) Section 1902 (a) (10) of the Social Security
Act is amended by striking out “the making available of
supplementary medical insurance benefits under part B of
title XVIII to individuals eligible therefor (either pursuant
to an agreement entered into under section 1843 or by reason
of the payment of premiums under such title by the State
agency on behalf of such individuals),” and inserting in lieu
thereof: “the availability of medical insurance under part B
of title XVIII to individuals eligible therefor,”.

(n) Section 1902 (a) (15) of such Act is amended by
striking out “either or both of”.

(o) Section 1903 (b) (2) of such Act is repealed.

(p) Section 201 (g) (1) (A) of such Act is amended—

(1) by striking out “Hospital” and inserting in lieu
thereof “Health”; and

1 (2) by striking out “and the Federal Supplementary
2 Medical Insurance Trust Fund”.

3 (q) (1) Subsection (a) (1) of section 226 of such Act
4 is amended to read as follows:

5 “(1) Every individual who—

6 “(A) has attained the age of 65, and

7 “(B) is entitled to monthly insurance benefits
8 under section 202 or is a qualified railroad retirement
9 beneficiary,

10 shall be entitled to—

11 “(C) hospital insurance benefits under part A of
12 title XVIII for each month for which he meets the con-
13 ditions specified in subparagraph (B), beginning with
14 the first month after June 1966 for which he meets the
15 conditions specified in subparagraphs (A) and (B)
16 and ending with June 1973, or

17 “(D) hospital insurance benefits under part A of
18 title XVIII and medical insurance benefits under part
19 B of title XVIII for each month for which he meets the
20 conditions specified in subparagraph (B) beginning with
21 the first month after June 1973 for which he meets the
22 conditions specified in subparagraphs (A) and (B).”

23 (2) Subsection (b) of section 226 of such Act is
24 amended by striking out “hospital insurance benefits under

1 part (A)” and inserting in lieu thereof “hospital and
2 medical insurance benefits under parts A and B”.

3 (3) Subsection (c) of section 226 of such Act is
4 amended by—

5 (A) redesignating paragraph (2) as paragraph
6 (3);

7 (B) striking out “and” at the end of paragraph
8 (1), and

9 (C) adding after paragraph (1) the following new
10 paragraph:

11 “(2) entitlement of an individual to medical insur-
12 ance benefits for a month shall consist of entitlement to
13 have payment made under, and subject to the limitations
14 in, part B of title XVIII to him or on his behalf for
15 medical and other health services, home health services,
16 and outpatient physical therapy services (as such terms
17 are defined in part C of title XVIII); and”

18 (4) Subsection (d) of section 226 of such Act, sub-
19 section (F) of such section (relating to disabled widows and
20 widowers), and subsection (f) of such section (relating to
21 cross references) are each amended by striking out “hos-
22 pital” and inserting in lieu thereof “health”.

23 (5) Subsection (b) of section 229 of such Act is
24 amended—

1 (A) by striking out "Hospital" and inserting in
2 lieu thereof "Health", and

3 (B) by inserting "and part B" after "part A".

4 (r) (1) The heading of section 103 of the Social Secu-
5 rity Amendments of 1965 is amended by inserting "AND
6 MEDICAL" after "HOSPITAL".

7 (2) Section 103 (a) of the Social Security Amend-
8 ments of 1965 is amended by inserting after "hospital"
9 each time it appears the following: "and medical".

10 (3) Section 103 (c) of the Social Security Amend-
11 ments of 1965 is amended—

12 (A) by striking out "Hospital" and inserting in
13 lieu thereof "Health";

14 (B) by inserting "and part B" after "part A"; and

15 (C) by inserting "and medical" after "hospital".

16 (r) So much of the third sentence of section 1817 (a) as
17 precedes paragraph (1) is amended to read as follows:

18 "There are hereby appropriated to the Trust Fund, out of any
19 moneys in the Treasury not otherwise appropriated, for each
20 fiscal year ending after July 1, 1965, and prior to July 1,
21 1972, amounts equivalent to 100 per centum of, and for the
22 fiscal year ending June 30, 1973, amounts equivalent to 150
23 per centum of, and for the fiscal year ending June 30, 1974,
24 and each fiscal year thereafter, amounts equivalent to 200
25 per centum of—"

1 (s) The amendments made by this section shall become
2 effective July 1, 1973.

3 ELIMINATION OF ALL DEDUCTIBLES AND COINSURANCE
4 UNDER MEDICARE

5 SEC. 202. (a) (1) Section 1812 (a) of the Social Secu-
6 rity Act is amended by striking out paragraphs (1), (2),
7 and (3) and inserting in lieu thereof the following:

8 “(1) inpatient hospital services;

9 “(2) post-hospital extended care services; and

10 “(3) post-hospital home health services.”

(2) Section 1812 of such Act is further amended by striking out subsections (b) through (e), and by redesignating subsection (f) as subsection (b).

14 (b) (1) Section 1813 of such Act is repealed.

15 (2) Section 1814 (b) of such Act is amended by striking
16 out “, subject to the provisions of section 1813,”.

17 (3) Section 1814 (d) (3) of such Act is amended—

18 (A) by striking out “, subject to the provisions of
19 section 1813,”; and

20 (B) by striking out “60 percent of”, “80 percent
21 of”, and “two-thirds of”.

22 (4) Section 1814 (e) of such Act is amended by striking
23 out "if such payments are precluded only by reason of section
24 1812 and".

25 (5) The last sentence of section 1814 (f) (4) of such

1 Act is amended by striking out “, subject to the provisions of
2 section 1813,”.

3 (c) (1) Section 1832 (a) (2) (A) of such Act is
4 amended by striking out “for up to 100 visits during a calen-
5 dar year” and inserting in lieu thereof “(other than post-
6 hospital home health services) ”.

7 (2) Section 1833 (a) (1) of such Act is amended—

8 (A) by striking out “80 percent of” wherever it
9 appears,

10 (B) by striking out “100 percent of” wherever it
11 appears, and

12 (C) by striking out “if the organization undertakes
13 to charge such individuals no more than 20 percent of
14 such reasonable cost plus any amounts payable by them
15 as a result of subsection (b) ”.

16 (3) Section 1833 (a) (2) of such Act is amended by
17 striking out “with respect to home health services, 100
18 percent, and with respect to other services, 80 percent
19 of—”.

20 (4) Section 1833 (b) of such Act is repealed.

21 (5) Section 1833 (c) of such Act is repealed.

22 (6) Section 1833 (d) of such Act is amended by
23 striking out “(or would be entitled except for section
24 1813) ”.

25 (7) Section 1833 (f) (1) of such Act is amended by

1 striking out “(A)”, and by striking out “, and (B)” and
2 all that follows and inserting in lieu thereof a period.

3 (8) Section 1833 (g) of such Act is repealed.

4 (9) Section 1834 of such Act is repealed.

5 (10) The second sentence of section 1835 (b) (2) of
6 such Act is amended by striking out “80 percent of”.

7 (11) Section 1835 (c) of such Act is repealed.

8 (d) Section 1861 (y) of such Act is amended by
9 striking out paragraph (3).

10 (e) (1) Section 1866 (a) (2) of such Act is amended
11 by striking out everything down through “(B) (i) Where
12 a provider” and inserting in lieu thereof the following:

13 “(2) (A) (i) Where a provider”.

14 (2) Section 1866 (a) (2) of such Act is further
15 amended by striking out subparagraph (C), by redesignat-
16 ing subparagraph (D) as subparagraph (B), and by strik-
17 ing out the last paragraph.

18 (f) Section 1875 (a) of such Act is amended by strik-
19 ing out “(2)” and inserting in lieu thereof “and (2)”, and by
20 striking out “; and (3)” and all that follows and insert-
21 ing in lieu thereof a period.

22 (g) Section 1876 (g) of such Act is amended—

23 (1) by striking out “(1) If” and all that follows
24 down through “(2) If” and inserting in lieu thereof
25 “If”; and

1 (2) by striking out the last sentence.

2 (h) Section 226 (e) of such Act is amended by striking
3 out "subject to the deductible, premium, and copayment
4 provisions of title XVIII".

5 (i) Section 1902 (a) (10) of such Act is amended by
6 striking out "or provision for meeting part or all of the cost
7 of the deductibles, cost sharing, or similar charges under
8 part B of title XVIII for individuals eligible for benefits
9 under such part,".

10 (j) The amendments made by this section shall apply
11 only with respect to payments for items and services fur-
12 nished on or after July 1, 1973.

13 **HEALTH INSURANCE FOR THE DISABLED**

14 SEC. 203. (a) (1) Section 226 (b) (2) of the Social Se-
15 curity Act is amended—

16 (A) by striking out ", and has for 24 consecutive
17 months been entitled to," in clause (A) ; and

18 (B) by striking out ", and has been for not less
19 than 24 consecutive months".

20 (2) Section 226 (b) of such Act is further amended by
21 striking out "twenty-fifth" and inserting in lieu thereof
22 "first" in the matter following paragraph (2) .

23 (b) Section 1811 of such Act is amended by striking
24 out "who have been entitled for not less than 24 consecutive
25 months" and inserting in lieu thereof "who are entitled".

1 (c) Section 22 of the Railroad Retirement Act of 1937
2 is amended—

3 (1) by striking out “entitled to annuities for not
4 less than 24 consecutive months” in paragraph (1) and
5 inserting in lieu thereof “entitled to annuities for one or
6 more months”;

7 (2) by striking out “annuities for not less than 24
8 consecutive months under section 223” in paragraph
9 (1) and inserting in lieu thereof “annuities for one
10 or more months under section 223”;

11 (3) by striking out “for not less than 24 con-
12 secutive months” in paragraph (2) and inserting in
13 lieu thereof “for one or more months”; and

14 (4) by striking out “for not less than 24 con-
15 secutive months” each place it appears in paragraph (3)
16 and inserting in lieu thereof “for one or more months”.

17 (d) The amendments made by this section shall
18 apply with respect to months after June 1973.

19 COVERAGE OF CERTAIN DRUG EXPENSES UNDER HOSPITAL
20 INSURANCE PROGRAM

21 SEC. 204. (a) (1) Section 226(c) (1) of the Social
22 Security Act is amended by striking out “and post-hospital
23 home health services” and inserting in lieu thereof “post-
24 hospital home health services, and qualified drugs”.

1 (2) Section 1811 of such Act is amended by inserting
2 “and qualified drugs” after “related post-hospital services”.

3 (3) Section 1812 (a) of such Act is amended—

4 (A) by striking out “and” at the end of paragraph
5 (2) ;

6 (B) by striking out the period at the end of para-
7 graph (3) and inserting in lieu thereof “; and”; and

8 (C) by adding after paragraph (3) the following
9 new paragraph:

10 “(4) Qualified drugs.”

11 (4) (A) Section 1813 (a) of such Act is amended by
12 adding at the end thereof the following new paragraph:

13 “(4) The amount payable for qualified drugs furnished
14 an individual pursuant to any one prescription or certifica-
15 tion and purchased by such individual at any one time shall
16 be reduced by an amount equal to the applicable prescrip-
17 tion copayment.”

18 (B) Section 1813 of such Act is further amended by
19 adding at the end thereof the following new subsection:

20 “(c) (1) Subject to paragraph (2), the prescription
21 copayment which shall be applicable for the purposes of
22 subsection (a) (4) shall be \$1.

23 “(2) The Secretary shall, between July 1 and Octo-
24 ber 1 of 1975, and of each year thereafter, determine and
25 promulgate the drug copayment which shall be applicable for

1 the purposes of subsection (a) (4) during the succeeding
2 calendar year. Such copayment shall be equal to \$1 multi-
3 plied by the ratio of (A) the average per capita costs for
4 qualified drugs during the calendar year preceding the year
5 in which the determination is made to (B) the average per
6 capita costs for qualified drugs during the calendar year
7 1973. Any amount so determined which is not a multiple
8 of 10 cents shall be rounded to the nearest multiple of 10
9 cents (or, if it is midway between two such multiples, to
10 the next higher multiple of 10 cents). The average per
11 capita costs for qualified drugs for any calendar year shall
12 be determined by the Secretary on the basis of the best
13 information available to him (at the time the determination
14 is made) as to the amounts paid under this part for quali-
15 fied drugs furnished during such year, by providers which
16 have agreements in effect under section 1866, to individ-
17 uals who are entitled to hospital insurance benefits under
18 section 226, plus the amount which would have been so
19 paid but for subsection (a) (4) of this section."

20 (5) Section 1814 (a) of such Act is amended—

21 (A) by striking out "and" at the end of paragraph
22 (6) ;

23 (B) by striking out the period at the end of para-
24 graph (7) and inserting in lieu thereof "; and"; and

1 (C) by inserting after paragraph (7) the follow-
2 ing new paragraph:

3 “(8) with respect to drugs or biologicals furnished
4 pursuant to a physician’s prescription, such drugs or bio-
5 logicals are qualified drugs as defined in section 1861 (t)
6 and the provider has in his possession such prescription,
7 or some other record of such prescription that is satis-
8 factory to the Secretary or, with respect to drugs or
9 biologicals not requiring a physician’s prescription but
10 determined by the Formulary Committee to be of a life-
11 saving nature, such drug or biological is a qualified drug
12 as so defined and the provider has in his possession a
13 physician’s certification that it is medically required by
14 such individual.”

15 (6) Section 1814 of such Act is amended by adding at
16 the end thereof the following new subsection:

17 “Limitation on Payment for Qualified Drugs

18 “(j) Payment may be made under this part for quali-
19 fied drugs only when such drugs are dispensed by a licensed
20 pharmacy (as defined in section 1861 (aa) of this Act)
21 which is a provider of services for purposes of this part; ex-
22 cept that payment under this part may be made for drugs
23 dispensed by a physician where the Secretary determines
24 that such drugs were required in an emergency or that there
25 were no pharmaceutical services available from providers of

1 services in the community, in which case the physician
2 (under regulations prescribed by the Secretary) shall be
3 regarded as a provider of services for purposes of this part
4 with respect to the dispensing of such drugs.”

5 (7) The second sentence of section 1816 (a) of such
6 Act is amended by striking out clause (1) and inserting in
7 lieu thereof the following: “(1) to provide consultative
8 services to institutions, agencies, or establishments to enable
9 them to establish and maintain fiscal records necessary for
10 purposes of this part and otherwise to qualify as providers
11 of services for such purposes, and”.

12 (b) Part A of title XVIII of such Act is further
13 amended by adding at the end thereof the following new
14 sections:

15 **“FORMULARY COMMITTEE**

16 **“SEC. 1819. (a) (1)** There is hereby established, within
17 the Department of Health, Education, and Welfare, a For-
18 mulary Committee, a majority of whose members shall be
19 physicians, and which shall consist of two officials of such
20 Department designated by the Secretary and seven indi-
21 viduals (not otherwise in the regular full-time employ of
22 the Federal Government) who are recognized professional
23 standing and distinction in the fields of medicine, pharma-
24 cology, and pharmacy, to be appointed by the Secretary
25 without regard to the provisions of title 5, United States

1 Code, governing appointments in the competitive service.
2 The Chairman of the Committee shall be elected, from the
3 appointed members thereof, by majority vote of the mem-
4 bers of the Committee for a term of one year. A member
5 may succeed himself as Chairman.

6 “(2) Each appointed member of the Formulary Com-
7 mittee shall hold office for a term of five years, except that
8 any member appointed to fill a vacancy occurring prior to
9 the expiration of the term for which his predecessor was
10 appointed shall be appointed for the remainder of such term,
11 and except that of the terms of office of the members first
12 taking office, as designated by the Secretary at the time of
13 appointment, one shall expire at the end of the first year,
14 one shall expire at the end of the second year, one shall
15 expire at the end of the third year, and one shall expire at
16 the end of the fourth year. A member shall not be eligible to
17 serve continuously for more than two terms.

18 “(b) Appointed members of the Formulary Committee,
19 while attending meetings or conferences thereof or other-
20 wise serving on business of the Committee, shall be entitled
21 to receive compensation at rates fixed by the Secretary, but
22 not exceeding \$100 per day, including traveltime, and while
23 so serving away from their homes or regular places of busi-
24 ness they may be allowed travel expenses, as authorized

1 by section 5703 of title 5, United States Code, for persons
2 in the Government service employed intermittently.

3 “(c) (1) The Formulary Committee is authorized to
4 engage such technical assistance as may be required to carry
5 out its functions, and the Secretary shall, in addition, make
6 available to the Formulary Committee such secretarial, clerical,
7 and other assistance as the Formulary Committee may
8 require to carry out its functions.

9 “(2) The Secretary shall furnish to the Formulary
10 Committee such office space, materials, and equipment as
11 may be necessary for the Formulary Committee to carry out
12 its functions.

13 “(d) (1) The Formulary Committee shall compile, publish,
14 and make available a Formulary of the United States
15 (hereinafter in this title referred to as the ‘Formulary’).

16 “(2) The Formulary Committee shall periodically revise
17 the Formulary and the listing of drugs so as to maintain
18 currency in the contents thereof.

19 “(3) The Formulary shall contain an alphabetically arranged
20 listing, by established name, of those drugs and biologicals
21 that shall be deemed qualified drugs for purposes of
22 the benefits provided under section 1812 (a) (4).

23 “(4) The Formulary Committee shall publish and
24 disseminate at least once each calendar year among phy-

1 sicians, pharmacists, and other interested persons, in accord-
 2 ance with directives of the Secretary, (i) an alphabetical
 3 list naming each drug or biological by its established name
 4 and such other information as the Secretary deems necessary,
 5 (ii) an indexed representative listing of such trade or other
 6 names by which each such drug or biological is commonly
 7 known, together with the maximum allowable cost for
 8 various quantities, strengths, or dosage forms thereof, to-
 9 gether with the names of the supplier of such drugs upon
 10 which the maximum allowable cost is based, (iii) a supple-
 11 mental list or lists, arranged by diagnostic, prophylactic,
 12 therapeutic, or other classifications, of the drugs included in
 13 the Formulary, and (iv) information (including conditions
 14 of use required in the interest of rational drug therapy) which
 15 will promote the safe and effective use, under professional
 16 supervision, of the drugs listed in the Formulary.

17 “(5) The Formulary Committee shall exclude from the
 18 Formulary any drugs which the Formulary Committee de-
 19 termines are not necessary for proper patient care, taking
 20 into account other drugs that are available from the
 21 Formulary.

22 “(e) (1) In considering whether a particular drug shall
 23 be included in the Formulary, the Formulary Committee is
 24 authorized to obtain (upon request therefor) any record
 25 pertaining to the characteristics of such drug which is avail-

1 able to any other department, agency, or instrumentality of
2 the Federal Government, and, as a condition of such inclu-
3 sion, to require suppliers of drugs to make available to the
4 Committee information (including information to be ob-
5 tained through testing) relating to such drug. If any such
6 record or information (or any information contained in such
7 record) is of a confidential nature, the Formulary Committee
8 shall exercise utmost care in preserving the confidentiality
9 of such record or information and shall limit its usage thereof
10 to the proper exercise of such authority.

11 “(2) The Formulary Committee shall establish such
12 procedures as may be necessary to determine the propriety
13 of the inclusion or exclusion in the Formulary of any drug,
14 including such data and testing as it may require of a pro-
15 ponent of the listing of a drug in the Formulary.

16 “(f) (1) The Formulary Committee, prior to making
17 a final determination to remove from listing in the Formu-
18 lary any drug which would otherwise be included therein,
19 shall afford a reasonable opportunity for a hearing on the
20 matter to any person engaged in manufacturing, preparing,
21 propagating, compounding, or processing the product who
22 shows reasonable grounds for such a hearing. Any person
23 adversely affected by the final decision of the Formulary
24 Committee may obtain judicial review in accordance with

1 the procedures specified in section 505 (h) of the Federal
2 Food, Drug, and Cosmetic Act.

3 “(2) Any person engaged in the manufacture, prepa-
4 ration, propagation, compounding, or processing of any drug
5 not included in the Formulary which such person believes to
6 possess the requisites to entitle such drug to be included in
7 the Formulary may petition for inclusion of such drug and,
8 if such petition is denied by the Formulary Committee, shall,
9 upon request therefor, showing reasonable grounds for a
10 hearing, be afforded a hearing on the matter. The final
11 decision of the Formulary Committee shall, if adverse to
12 such person, be subject to judicial review in accordance with
13 the procedures specified in section 505 (h) of the Federal
14 Food, Drug, and Cosmetic Act.

15 “(g) Drugs and biologicals shall be determined to be
16 qualified drugs only if they can legally be obtained by the
17 user only pursuant to a prescription of a physician; except
18 that the Formulary Committee may include certain drugs
19 and biologicals not requiring such a prescription if it deter-
20 mines such drugs or biologicals to be of a lifesaving nature.

21 “(h) In the interest of orderly, economical, and equi-
22 table administration of the benefits provided under section
23 1812 (a) (4), the Formulary Committee may, by regulation,
24 provide that a drug or biological otherwise regarded as being
25 a qualified drug shall not be so regarded when prescribed in
26 unusual quantities.

1 "MAXIMUM ALLOWABLE COST FOR QUALIFIED DRUGS

2 "SEC. 1820. (a) For purposes of this part, the term
3 'maximum allowable cost' means the following:

4 "(1) When used with respect to a prescription legend
5 drug, such term means the lesser of—

6 "(A) the amount determined by the Formulary
7 Committee, in accordance with subsection (b) of this
8 section, plus a reasonable fee determined in accordance
9 with subsection (c) of this section, or

10 "(B) the actual, usual, or customary charge at
11 which the dispenser sells or offers such drug to the public.

12 "(2) When used with respect to a prescribed non-
13 legend drug such term means those charges which do not
14 exceed the usual or customary price at which the dispenser
15 offers or sells the product to the general public, plus a reason-
16 able billing allowance.

17 "(b) (1) The Formulary Committee shall establish an
18 amount or amounts at which each drug is generally avail-
19 able for sale (to establishments dispensing drugs) in a given
20 strength or dosage form; and in any case in which a drug
21 is so available and so sold by more than one supplier, the
22 Formulary Committee shall exclude, in determining the
23 maximum allowable cost, the amounts for such drugs of such
24 suppliers as are sold at prices which vary significantly from
25 the amounts for the lowest or lower cost drugs which have

1 been determined to be of proper quality and which are gen-
2 erally available. If a particular drug in the Formulary is
3 available from more than one supplier, and such drug as
4 available from one supplier possesses distinct therapeutic ad-
5 vantages (as determined by the Formulary Committee on
6 the basis of its scientific and professional appraisal of informa-
7 tion available to it, including information and other evidence
8 furnished to it by the supplier of such drug), then the amount
9 recognized by the Formulary Committee for such supplier's
10 drug shall be the price at which it is generally available to
11 establishments dispensing drugs.

12 “(2) In considering (for purposes of the maximum
13 allowable cost for any drug) the various sources from which
14 and the varying prices at which such drug is generally avail-
15 able, there shall not be taken into account the price of any
16 drug which is not included in the Formulary.

17 “(3) Whenever an amount or amounts at which a quali-
18 fied drug is generally available for sale to the ultimate dis-
19 pensers thereof vary significantly among the various regions
20 of the United States or among such ultimate dispensers,
21 the Formulary Committee may determine a separate amount
22 or amounts with respect to such drug for various regions or
23 for various classes of its ultimate dispensers.

24 “(c) (1) Any licensed pharmacy which is a provider
25 of services for purpose of this part, shall, in a form pre-

1 scribed by the Secretary, filed with an intermediary or other
2 agency designated by the Secretary a statement of a fee
3 for the purpose of establishing the maximum allowable cost
4 as defined in subsection (a). Such fee shall include such
5 costs, including the costs of professional services and a fair
6 profit, as are reasonably related to the provision of pharma-
7 ceutical service rendered to persons entitled to receive bene-
8 fits under this part.

9 “(2) Any licensed pharmacy shall, except in cases to
10 which subsection (a) (1) (B) applies, be reimbursed, in
11 addition to any amounts provided for in subsection (b),
12 the amount of the fee filed in paragraph (1), except that
13 no fee shall exceed the largest fee filed by 90 per centum
14 of such licensed pharmacies.

15 “(3) The Secretary shall, in addition to statements re-
16 quired pursuant to paragraph (2), require in a form and
17 at a time suitable to him financial or other data to justify
18 recognition of any fee (A) which amount falls between the
19 fiftieth and ninetieth percentile of all fees filed by participat-
20 ing pharmacies, or (B) in any case where a participating
21 licensed pharmacy has, in the preceding four calendar quar-
22 ters, been among the highest 20 per centum by prescrip-
23 tion volume of all pharmacies participating in the program
24 in a State or intermediary area.

25 “(4) Where no fee statement or other information re-

1 quired by the Secretary has been filed by a licensed phar-
2 macy otherwise qualified and participating in the program,
3 fees to which such pharmacies may be entitled shall be lim-
4 ited to the amount of the lowest fee filed by any licensed
5 pharmacy described in paragraph (1) above."

6 (c) (1) Section 1861 (t) of such Act is amended—

7 (A) by inserting " , or as are approved by the For-
8 mulary Committee" immediately before the final period;
9 and

10 (B) by adding at the end thereof the following
11 new sentence: "The term 'qualified drug' means a
12 drug or biological which (1) can be self-administered,
13 (2) is furnished pursuant to a physician's prescription
14 or a physician's certification that it is a lifesaving drug
15 which is medically required by such individual when not
16 an inpatient in a hospital or skilled nursing facility, (3)
17 is included by strength and dosage forms among the
18 drugs and biologicals approved by the Formulary Com-
19 mittee, (4) is dispensed (except as provided by section
20 1814 (j)) by a pharmacist from a licensed pharmacy,
21 and (5) which is generally available for sale to estab-
22 lishments dispensing drugs in an amount or amounts
23 equal to or less than the amount or amounts established
24 by the Formulary Committee pursuant to section
25 1820 (b)."

1 (2) Section 1861 (u) of such Act is amended by strik-
2 ing out "or home health agency" and inserting in lieu thereof
3 "home health agency, or licensed pharmacy".

4 (3) Section 1861 (v) of such Act is amended—

5 (A) by striking out "The reasonable cost" in the
6 first sentence of paragraph (1) and inserting in lieu
7 thereof "Except as provided in paragraph (5), the
8 reasonable cost"; and

9 (B) by adding at the end thereof the following
10 new paragraph:

11 "(5) (A) With respect to any qualified drug, the maxi-
12 mum allowable cost shall be an amount determined in ac-
13 cordance with section 1820 of this Act."

14 (4) Section 1861 of such Act is further amended by
15 adding at the end thereof, the following new subsection:

16 "Licensed Pharmacy

17 "(aa) The term 'licensed pharmacy' (with respect to
18 any qualified drug) means a pharmacy, or other establish-
19 ment providing community pharmaceutical services, which
20 is licensed as such under the laws of the State in which such
21 drug is provided or otherwise dispensed in accordance with
22 this title."

23 (5) (A) The first sentence of section 1866 (a) (2) (A)
24 of such Act is amended by striking out "and (ii)" and in-
25 serting in lieu thereof the following: "(ii) the amount of

1 any copayment required pursuant to section 1813 (a) (4)
2 and (iii)".

3 (B) The second sentence of section 1866 (a) (2) (A)
4 of such Act is amended by striking out "clause (ii)" and
5 inserting in lieu thereof "clause (iii)".

6 (d) The amendments made by this section shall apply
7 with respect to items and services furnished on and after
8 the 1st day of July 1973.

9 **EXTENSION OF COVERAGE UNDER SUPPLEMENTARY MEDI-**
10 **CAL INSURANCE PROGRAM TO INCLUDE EYE CARE, DEN-**
11 **TAL CARE, DENTURES, HEARING AIDS, FOOT CARE, AND**
12 **FLU SHOTS**

13 SEC. 205. (a) (1) Section 1861 (r) (4) of the Social
14 Security Act is amended to read as follows: "(4) a doctor
15 of optometry, but only with respect to functions which he
16 is legally authorized to perform by the State in which he
17 performs them,".

18 (2) Paragraph (7) of section 1862 (a) of such Act
19 is amended by striking out "eyeglasses" where it first appears
20 and all that follows down through "hearing aids or examina-
21 tions therefor" and inserting in lieu thereof "eyeglasses
22 obtained without a physician's prescription".

23 (b) (1) Paragraph (8) of section 1861 (s) of such
24 Act is amended by striking out "(other than dental)".

25 (2) Paragraph (12) of section 1862 (a) of such Act
26 is amended to read as follows:

1 “(12) where such expenses are for the cleaning
2 of teeth.”.

3 (c) (1) Section 1861 (s) of such Act is amended—

4 (A) by striking out “and” at the end of para-
5 graph (8);

6 (B) by striking out the period at the end of para-
7 graph (9) and inserting in lieu thereof “; and ”;

8 (C) by inserting immediately after paragraph (9)
9 the following new paragraph:

10 “(10) annual immunizations against influenza.”;

11 and

12 (D) by redesignating paragraphs (10) through
13 (13) as paragraphs (11) through (14), respectively.

14 (2) Section 1862 (a) (7) of such Act is amended by
15 striking out “or immunizations” and inserting in lieu
16 thereof “or (except as provided in section 1861 (s) (10))
17 immunizations”.

18 (3) Section 1864 (a) of such Act is amended by strik-
19 ing out “paragraphs (10) and (11)” and inserting in lieu
20 thereof “paragraphs (12) and (13)”.

21 (d) (1) Paragraphs (8) and (13) of section 1862 (a)
22 of such Act are repealed.

23 (2) Paragraphs (9) through (12) of such section are
24 redesignated as paragraphs (8) through (11), respectively;
25 and the paragraph so redesignated as paragraph (10) is

1 amended by adding "or" after the semicolon at the end
2 thereof.

3 (e) The amendments made by this section shall apply
4 only with respect to services furnished on or after the first
5 day of the first month beginning more than ten days after
6 the date of the enactment of this Act.

7 MEDICARE COVERAGE FOR U.S. CITIZENS OUTSIDE THE
8 UNITED STATES

9 SEC. 206. (a) Section 1814 (f) of the Social Security
10 Act is amended by adding at the end thereof the following
11 new paragraph:

12 "(5) (A) It is the purpose of this paragraph to assure
13 to the maximum extent possible the achievement of the pur-
14 poses and objectives of this title by providing basic protection
15 against hospital, medical, and related costs for individuals
16 outside the United States who are entitled to benefits under
17 section 226, in all cases where the provision of such protec-
18 tion can be accomplished without unreasonable deviation
19 from the requirements and standards generally applicable
20 under this title.

21 "(B) In addition to the payments for inpatient hospital
22 services specifically authorized by paragraphs (1) and (2),
23 payment may be made under this part as provided in sub-
24 paragraph (C) for inpatient hospital services, post-hospital
25 extended care services, and post-hospital home health services

1 furnished (to an individual entitled to hospital insurance
2 benefits under section 226) by a hospital, skilled nursing
3 facility, or home health agency located outside the United
4 States.

5 “(C) Payment for services furnished outside the United
6 States as described in subparagraph (B) may be made only
7 in such cases, and in such manner and to such extent, as shall
8 be provided in regulations prescribed by the Secretary. Such
9 regulations, which may modify the provisions of this title to
10 the extent necessary to assure that they can be effectively
11 applied with respect to such services, shall be designed to
12 carry out the purpose of this paragraph despite variations
13 in health care facilities and programs in different countries
14 and with full consideration of the health care needs of the
15 individuals involved. In no case, however, shall such regu-
16 lations permit payment to be made for services furnished
17 to an individual by any institution, facility, or agency unless
18 it is closer to, or substantially more accessible from, the place
19 where such individual was located when the necessity for
20 such services arose than the nearest similar institution, fa-
21 cility, or agency within the United States which was ade-
22 quately equipped to deal with, and was available for the
23 treatment of, such individual's illness or injury. Paragraphs
24 (3) and (4) of this subsection shall apply with respect to

1 services described in subparagraph (B) of this paragraph to
2 the extent provided in such regulations.

3 “(D) Notwithstanding any other provision of this title,
4 in cases to which subparagraph (B) applies, the terms ‘hos-
5 pital’, ‘skilled nursing facility’, and ‘home health agency’
6 shall include any institution, facility, or agency which is
7 accredited or approved by a program of the country in which
8 it is located if the Secretary finds the accreditation or ap-
9 proval standards of such program to be essentially equivalent
10 to those of the comparable (or most nearly comparable)
11 program in the United States; and any physician or other
12 person furnishing items or services in such cases shall be
13 deemed to meet the applicable requirements of this title
14 relating to licensure or other qualifications if such physician
15 or other person is duly licensed or otherwise qualified to fur-
16 nish such items or services under the laws of the country in
17 which he furnishes them.”

18 (b) (1) The heading of section 1814 (f) of such Act is
19 amended by striking out “Inpatient Hospital”.

20 (2) Section 1861 (e) of such Act is amended by adding
21 after the third sentence following paragraph (9) the fol-
22 lowing new sentence: “For purposes of section 1814 (f) (5),
23 such term includes any institution which is determined to
24 be a hospital under subparagraph (C) thereof.”

1 (3) The last sentence of section 1861 (r) of such Act
2 is amended by striking out "inpatient hospital".

3 (4) Section 1862 (a) (4) of such Act is amended by
4 striking out "inpatient hospital" each place it appears.

5 (c) The amendments made by this section shall apply
6 only with respect to items and services furnished on or after
7 the first day of the month following the month in which this
8 Act is enacted.

9 **ADDITIONAL CARE AND SERVICES UNDER MEDICARE AND**
10 **MEDICAID PROGRAMS; RELATED STANDARDS AND RE-**
11 **QUIREMENTS**

12 **SEC. 207. (a)** Section 1902 (a) of the Social Security
13 Act is amended—

14 (1) by striking out the period at the end of para-
15 graph (37) and inserting in lieu thereof a semicolon;
16 and

17 (2) by inserting after paragraph (37) the follow-
18 ing new paragraphs:

19 “(38) provide (in accordance with regulations pre-
20 scribed by the Secretary) for the furnishing, to in-
21 dividuals who have attained the age of 65 years and
22 are eligible for assistance under the State plan, of
23 home health care services and private duty nursing
24 services;

1 “(39) provide that all information concerning nurs-
2 ing homes or intermediate care facilities which provide
3 services under the plan, which is filed with any agency
4 of the State, will be made available to the public; and

5 “(40) provide that any intermediate care facility
6 receiving payments under the plan must satisfy the re-
7 quirements of paragraphs (11) and (13) of section
8 1861 (j).”

9 (b) (1) Section 1902 (a) (28) of such Act is amended
10 by inserting “(A)” after “such plan”, and by inserting
11 before the semicolon at the end thereof the following:
12 “, and (B) must submit to the State agency, not later than
13 60 days after the close of each fiscal year, a full and com-
14 plete report disclosing all costs incurred by it for such fiscal
15 year”.

16 (2) Section 1861 (j) (11) of such Act is amended by
17 striking out “of 10 per centum or more”.

18 (c) Section 1904 of such Act is amended—

19 (1) by inserting “(a)” immediately after “SEC.
20 1904.”; and

21 (2) by adding at the end thereof the following
22 new subsection:

23 “(b) Whenever the Secretary determines that there is
24 a failure on the part of any nursing home providing services
25 under a State plan approved under this title to comply with

1 any standards or requirements imposed (or required by this
2 title to be imposed) on nursing homes providing such serv-
3 ices, he shall notify the Governor of the State of such failure
4 on the part of such nursing home."

5 (d) (1) Title XI of such Act is amended by adding
6 at the end thereof the following new section:

7 "AUTHORIZATION OF EXPERIMENTAL PROGRAM TO PROVIDE

8 IN-HOME CARE FOR ELDERLY INDIVIDUALS

9 "SEC. 1124. (a) The Secretary is authorized to estab-
10 lish an experimental program of subsidization of families who
11 agree to care for their dependents who are 65 years of age
12 or older and who would otherwise require, because of physi-
13 cal or mental infirmities, the services of a skilled nursing
14 home, in their own homes. Such subsidies may be made
15 directly, in the form of grants, to families who are deter-
16 mined, in accordance with regulations prescribed by the
17 Secretary, to be eligible for assistance under this program.

18 "(b) Any grant under this section shall be made on
19 such terms and conditions, and payments thereunder shall
20 be made in advance or by way of reimbursement and in such
21 installments, as the Secretary may determine to be appro-
22 priate to carry out the purposes of this section and protect
23 the financial interests of the United States.

24 "(c) Any grant under this section shall be made only
25 upon application therefor, submitted in such form and con-

1 taining such information and assurances as the Secretary may
2 by regulation require.”

3 (2) There are hereby authorized to be appropriated
4 for the fiscal year ending June 30, 1974, and for each fiscal
5 year thereafter, such sums as may be necessary to carry out
6 the provisions of this section.

7 (e) (1) Section 1832 (a) of such Act is amended—

8 (A) by striking out “and” at the end of para-
9 graph (2) (B) ;

10 (B) by striking out the period at the end of para-
11 graph (2) (C) and inserting in lieu thereof “; and”; and

12 (C) by inserting after paragraph (2) (C) the
13 following:

14 “(D) nursing care services for up to 365 days
15 during any calendar year; and

16 “(3) day care services.”

17 (2) Section 1833 (a) of such Act is amended—

18 (A) by striking out “and” at the end of paragraph
19 (1) ;

20 (B) by striking out the period at the end of para-
21 graph (2) and inserting in lieu thereof “; and”; and

22 (C) by adding a new paragraph (3) as follows:

23 “(3) in the case of services described in section
24 1832 (a) (3), 100 percent of the reasonable cost of such
25 services (as determined under section 1861 (v)).”

1 (3) Section 1835 (a) of such Act is amended—

2 (A) by striking out “section 1832 (a) (2)” and
3 inserting in lieu thereof “sections 1832 (a) (2) and
4 1832 (a) (3)” ; and

5 (B) by inserting in paragraph (2) (B) immedi-
6 ately before “medical” the following: “day care
7 services, and”.

8 (4) Section 1835 (a) (2) (B) of such Act is amended
9 by inserting immediately after “in the case of” the following
10 “nursing care services,”.

11 (5) Section 1861 (u) of such Act is amended—

12 (A) by inserting immediately before “hospital”
13 the following: “day care center,” ; and

14 (B) by inserting immediately after “fund” a
15 comma and the following: “or an intermediate care
16 facility (as defined in section 1905 (c)), or an institu-
17 tion which is eligible to provide skilled nursing home
18 services for which payment may be made under a State
19 plan approved under title XIX”.

20 (6) Section 1861 of such Act is further amended by
21 adding at the end thereof the following new subsections:

22 “Nursing Care Services

23 “(aa) The term ‘nursing care services’ means services
24 which (1) are provided to an inpatient of (A) a skilled
25 nursing facility (as defined in subsection (j)), (B) and

1 intermediate care facility (as defined in section 1905 (c)),
 2 or (C) an institution which is eligible to provide skilled
 3 nursing home services for which payment may be made under
 4 a State plan approved under title XIX; and (2) except to
 5 the extent that the Secretary shall by regulations otherwise
 6 provide, are furnished by such skilled nursing facility, inter-
 7 mediate care facility, or institution. Such term shall include
 8 only such items and services as the Secretary shall by regula-
 9 tions specify; except that no item or service shall be included
 10 in such term if such item or service, if furnished to an in-
 11 patient of a skilled nursing facility, would not constitute
 12 extended care services (as defined in subsection (h)).

13 "Day Care Services

14 "(bb) The term 'day care services' means such personal
 15 care, supervision, and services as the Secretary shall by
 16 regulation prescribe, for individuals 65 years of age or older
 17 provided in day care centers which meet such standards as
 18 the Secretary shall by regulations establish."

19 (7) The amendments made by this section shall be-
 20 come effective January 1, 1974.

21 TITLE III—PUBLIC ASSISTANCE

22 EXTENSION OF SUPPLEMENTAL SECURITY INCOME PRO- 23 GRAM TO PUERTO RICO, GUAM, AND THE VIRGIN IS- 24 LANDS

25 SEC. 301. (a) Section 303 (b) of the Social Security
 26 Amendments of 1972 is repealed.

1 (b) (1) Paragraphs (1), (2), and (3) of section
2 1108 (a) of the Social Security Act are each amended—

3 (A) by striking out “or” at the end of subpara-
4 graph (D) ; and

5 (B) by striking out “the fiscal year 1972 and each
6 fiscal year thereafter” in subparagraph (E) and in-
7 serting in lieu thereof “each of the fiscal years 1972
8 and 1973”.

9 (2) Paragraph (1) of such section 1108 (a) is fur-
10 ther amended by striking out the semicolon at the end of
11 subparagraph (E) and inserting in lieu thereof a comma,
12 and by adding after subparagraph (E) the following new
13 subparagraphs:

14 “(F) \$ with respect to the period
15 beginning July 1, 1973, and ending December 31,
16 1973,

17 “(G) \$ with respect to the period
18 beginning January 1, 1974, and ending June 30,
19 1974, or

20 “(H) \$ with respect to each fiscal
21 year beginning after June 30, 1974;”.

22 (3) Paragraph (2) of such section 1108 (a) is further
23 amended by striking out “; and” at the end of subparagraph
24 (E) and inserting in lieu thereof a comma, and by adding
25 after subparagraph (E) the following new subparagraphs:

1 “(F) \$ with respect to the period
2 beginning July 1, 1973, and ending December 31,
3 1973,

4 “(G) \$ with respect to the period
5 beginning January 1, 1974, and ending June 30,
6 1974, or

7 “(H) \$ with respect to each fiscal
8 year beginning after June 30, 1974; and”.

9 (4) Paragraph (3) of such section 1108 (a) is further
10 amended by striking out the period at the end of subpara-
11 graph (E) and inserting in lieu thereof a comma, and by
12 adding after subparagraph (E) the following new sub-
13 paragraphs:

14 “(F) \$ with respect to the period
15 beginning July 1, 1973, and ending December 31,
16 1973,

17 “(G) \$ with respect to the period
18 beginning January 1, 1974, and ending June 30,
19 1974, or

20 “(H) \$ with respect to each fiscal
21 year beginning after June 30, 1974.”

22 ELIGIBILITY OF DISABLED PERSON FOR SUPPLEMENTAL
23 SECURITY INCOME PAYMENTS DESPITE CERTAIN IN-
24 COME OF SPOUSE

25 SEC. 302. (a) Section 1611 of the Social Security Act
26 (as amended by section 301 of the Social Security Amend-

1 ments of 1972) is amended by adding at the end thereof
2 the following new subsection:

3 "Separate Eligibility of Blind or Disabled Spouse in
4 Certain Cases

5 "(i) Notwithstanding any other provision of this title,
6 in any case where—

7 "(1) an aged, blind, or disabled individual has a
8 spouse who would be an eligible spouse under the pro-
9 visions of this part other than this subsection;

10 "(2) such individual is entitled for any month to
11 an old-age or disability insurance benefit under title
12 II or to an annuity under section 2 of the Railroad
13 Retirement Act of 1937, and such benefit or annuity
14 is included in his or her income under section 1612 (a) ;
15 and

16 "(3) such spouse is blind or disabled, and is not
17 entitled for such month to any monthly benefit under
18 title II or to any annuity under section 2 or 5 of the
19 Railroad Retirement Act of 1937,

20 such individual and such spouse shall each be considered
21 as an aged, blind, or disabled individual who does not have
22 an eligible spouse for purposes of determining his or her
23 eligibility for benefits with respect to such month under
24 subsection (a) (1), and the benefit (if any) payable to each
25 of them with respect to such month shall be separately

1 determined under subsection (b) (1) as though he or she
2 were an individual who does not have an eligible spouse."

3 (b) The amendment made by subsection (a) shall take
4 effect January 1, 1974.

5 DISREGARD OF PENSION INCOME IN CERTAIN CASES IN
6 DETERMINING ELIGIBILITY FOR SUPPLEMENTAL SE-
7 CURITY INCOME PAYMENTS

8 SEC. 303. (a) Section 1612 of the Social Security Act
9 (as amended by section 301 of the Social Security Amend-
10 ments of 1972) is amended by adding at the end thereof the
11 following new subsection:

12 "Exclusion of Pensions and Annuities for
13 Persons Over Age 70

14 "(c) In determining, for any calendar year, the in-
15 come of an individual (or spouse) who has attained age 70
16 or will attain such age before the close of that year, there
17 shall be excluded any payments of the type enumerated in
18 subsection (a) (2) (B) to the extent that the total of the
19 payments of that type received by such individual (or
20 spouse) during that year does not exceed \$7,500."

21 (b) Section 1612 (a) (2) (B) of such Act (as so
22 amended) is amended by striking out "any payments re-
23 ceived" and inserting in lieu thereof "any payments, other
24 than payments to which subsection (c) applies, which are
25 received".

1 (c) The amendments made by this section shall take
2 effect January 1, 1974.

3 CONTINUATION OF ELIGIBILITY FOR FOOD STAMPS UNDER
4 SUPPLEMENTAL SECURITY INCOME PROGRAM

5 SEC. 304. Effective January 1, 1973, section 411 of the
6 Social Security Amendments of 1972 (including the amend-
7 ments made thereby) is repealed.

8 SPECIAL HOUSING ALLOWANCES FOR LOW-INCOME
9 ELDERLY PERSONS

10 SEC. 305. (a) The Social Security Act is amended by
11 adding at the end thereof the following new title:

12 "TITLE XX—HOUSING ALLOWANCES FOR
13 ELDERLY LOW-INCOME PERSONS

14 "AUTHORIZATION OF HOUSING ALLOWANCES

15 "SEC. 2001. The Secretary of Health, Education, and
16 Welfare (hereinafter in this title referred to as the 'Secre-
17 tary') is authorized to pay, and to contract to pay, from the
18 Old-Age and Survivors Insurance Trust Fund, monthly
19 housing allowances to 'qualified tenants', as defined herein,
20 in such manner and subject to such limitations as may be
21 prescribed in or pursuant to this title.

22 "ELIGIBILITY FOR AND AMOUNT OF ALLOWANCE

23 "SEC. 2002. (a) The aggregate amount of monthly
24 housing allowances paid annually under this title to any
25 qualified tenant with respect to any dwelling unit shall not

1 exceed the difference between 25 per centum of the tenant's
2 disposable income and the maximum fair market rental estab-
3 lished in the locality by the Secretary of Housing and Urban
4 Development for dwelling units of similar size and type, and
5 shall in no event exceed \$1,200.

6 “(b) No housing allowances shall be paid under this
7 title to a tenant occupying a dwelling unit for which the costs
8 of operation (including wages and salaries) are greater (as
9 determined by the Secretary of Housing and Urban Develop-
10 ment) than the corresponding costs of operation of other
11 standard housing of similar size and type in the community
12 where the property involved is situated.

13 “(c) No housing allowance shall be paid under this
14 title to any qualified tenant for any period in which rent
15 supplement payments are made on behalf of such tenant
16 under section 101 of the Housing and Urban Development
17 Act of 1965.

18 “(d) The Secretary shall condition the payment of any
19 housing allowance under this title to any qualified tenant
20 upon the execution by such tenant of a satisfactory agree-
21 ment that the allowance will be used solely for the payment
22 of rent for occupancy in standard housing.

23 "DEFINITIONS

24 "SEC. 2003. (a) As used in this title—
25 " (1) the term 'qualified tenant' means any in-

1 dividual or family who has, pursuant to criteria and
2 procedures established by the Secretary, been deter-
3 mined—

4 “(A) to be sixty-two years of age or older
5 (or, in the case of a family, to have a head who is,
6 or whose spouse is, sixty-two years of age or older),
7 and

8 “(B) to have a disposable income, as deter-
9 mined by the Secretary, of less than \$4,500 per
10 annum;

11 “(2) the term ‘disposable income’, with respect
12 to any household, means—

13 “(A) all income of all members of the house-
14 hold, including income from salaries, wages, divi-
15 dends, sales or exchange of property, businesses,
16 farms, pensions, estates, trusts, alimony and sup-
17 port payments received pursuant to written agree-
18 ment or court order, non-taxable veterans benefits,
19 municipal bonds, unemployment benefits, old-age,
20 survivors, and disability insurance benefits, railroad
21 retirement annuities and pensions, aid or assistance
22 under title I, X, XIV, or XVI, or under part A of
23 title IV, and any other public welfare payments;
24 except that such term does not include—

1 “(i) income earned by a member of the
2 household who is 22 years of age or younger
3 and is a full-time student,

4 “(ii) gifts,

5 “(iii) that part of any income which is
6 used to make payment in settlement of Fed-
7 eral, State, or local taxes,

8 “(iv) that part of any income which is
9 used to pay union dues, whether by withhold-
10 ing from wages or salaries or otherwise, or

11 “(v) that part of any income which is
12 used to make support payments pursuant to
13 court order or written agreement;

14 “(3) the term ‘standard housing’ means a rental
15 unit which meets standards prescribed by the Secretary
16 of Housing and Urban Development; and

17 “(4) the term ‘rent’ includes payments to a mort-
18 gagee or cooperative owner approved by the Secretary
19 of Housing and Urban Development.

20 “(b) In determining disposable income under subsec-
21 tion (a) (2) and in otherwise carrying out this title, the
22 Secretary shall—

23 “(1) provide for the use of a simplified statement
24 to establish eligibility, and for adequate and effective
25 methods of verification of eligibility of applicants and

1 recipients through the use of sampling and other scien-
 2 tific techniques;

3 “(2) provide for granting an opportunity for a
 4 fair hearing before the Secretary to any individual
 5 whose claim for housing allowance is denied or is not
 6 acted upon with reasonable promptness; and

7 “(3) provide safeguards which restrict the use
 8 or disclosure of information concerning applicants and
 9 recipients to purposes directly connected with the ad-
 10 ministration of this title.”

11 (b) (1) The last sentence of section 201 (h) of such
 12 Act is amended by inserting after “All other benefit pay-
 13 ments required to be made under this title (other than sec-
 14 tion 226)” the following: “, and all payments of housing
 15 allowances under title XX,”.

16 (2) Section 201 (g) (1) of such Act is amended by
 17 striking out “this title, title XVI, and title XVIII” each
 18 place it appears and inserting in lieu thereof “this title, title
 19 XVI, title XVIII, and title XX”.

20 **TITLE IV—MATERNAL AND CHILD HEALTH**
 21 **AND CRIPPLED CHILDREN'S PROGRAMS**

22 **EXTENSION OF PROJECT GRANTS**

23 **SEC. 401.** (a) Section 501 of the Social Security Act is
 24 amended by striking out “\$350,000,000” and inserting in
 25 lieu thereof “\$650,000,000”.

1 (b) (1) Paragraph (1) of section 502 of such Act
2 is amended by striking out "each of the next 4 fiscal
3 years" and inserting in lieu thereof "each of the next 8
4 fiscal years".

5 (2) Paragraph (2) of section 502 of such Act is
6 amended by striking out "June 30, 1974" and inserting in
7 lieu thereof "June 30, 1978".

8 (c) (1) Section 505 (a) (8) of such Act is amended by
9 striking out "July 1, 1973" and inserting in lieu thereof
10 "July 1, 1977".

11 (2) Section 505 (a) (9) of such Act is amended by
12 striking out "July 1, 1973" and inserting in lieu thereof
13 "July 1, 1977".

14 (3) Section 505 (a) (10) of such Act is amended by
15 striking out "July 1, 1973" and inserting in lieu thereof
16 "July 1, 1977".

17 (4) Section 508 (a) (3) of such Act is amended by
18 striking out the comma after "services" and inserting in
19 lieu thereof "during fiscal years ending on or before June 30,
20 1974,".

21 (5) Section 508 (b) of such Act is amended by striking
22 out "June 30, 1973" and inserting in lieu thereof "June 30,
23 1977".

24 (6) Section 509 (b) of such Act is amended by striking

1 out "June 30, 1973" and inserting in lieu thereof "June 30,
2 1977".

3 (7) Section 510 (b) of such Act is amended by striking
4 out "June 30, 1973" and inserting in lieu thereof "June 30,
5 1977".

93RD CONGRESS
1ST SESSION

H. R. 10499

A BILL

To amend the Social Security Act to liberalize benefits under the old-age, survivors, and disability insurance program and otherwise improve such program, to liberalize and improve the health insurance benefits program, to extend eligibility under the supplemental security income program, and for other purposes.

By Mr. PEPPER

SEPTEMBER 25, 1973

Referred to the Committee on Ways and Means

